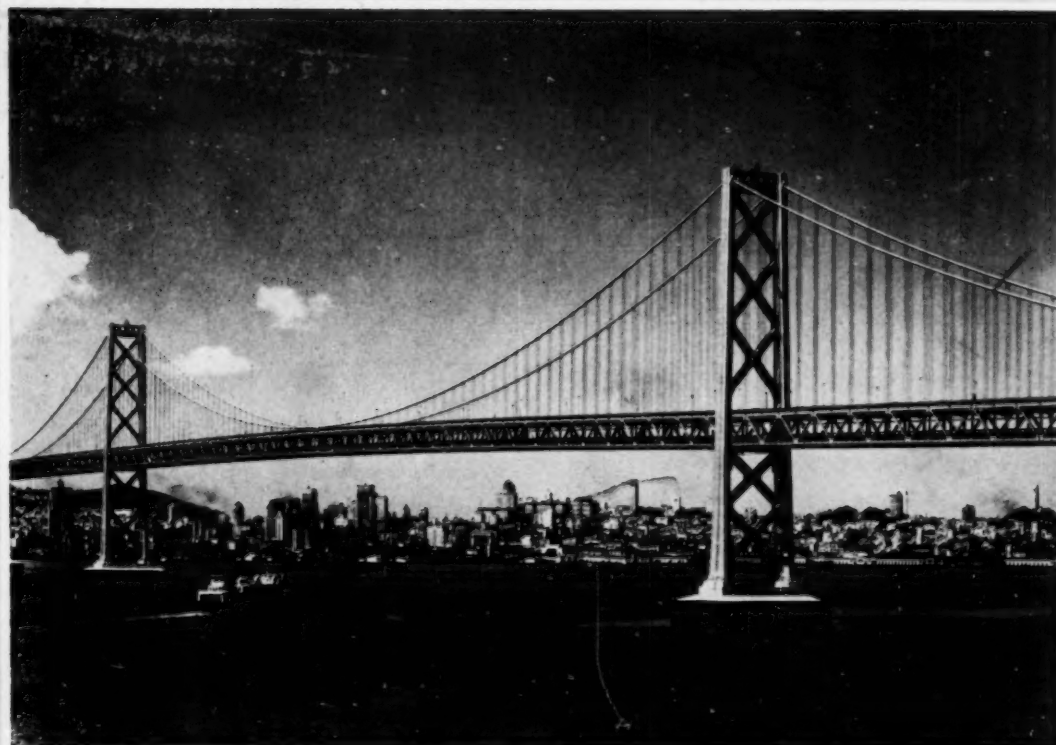


The **Credit World**

April 1954—San Francisco Number



This is the SAN FRANCISCO-OAKLAND Bay Bridge, taken from Treasure Island. This mammoth bridge is the link that ties San Francisco to the East Bay area. The total length is eight and one-quarter miles while the bridge proper is approximately four and one-half miles. This world's longest bridge is a monument to the combined engineering and mechanical skill of the ages. Downtown San Francisco can be seen in the distance.

40th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

• **JULY 19-22, 1954**

SAN FRANCISCO, CALIFORNIA

NATIONAL RETAIL CREDIT ASSOCIATION

ASSOCIATED CREDIT BUREAUS OF AMERICA

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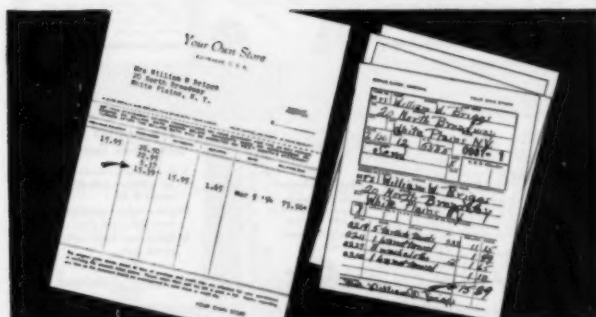
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The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

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National Retail Credit Association
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San Francisco and the Associated Retail Credit Men

Frank Batty

Orinda, California

Honorary President, Associated Retail Credit Men of San Francisco

Past President, National Retail Credit Association

Honorary Life Member, National Retail Credit Association

IT IS SOMEWHAT startling to realize that since the National Retail Credit Association met in Annual Conference in this City by the Golden Gate almost 15 years ago, there is a new generation; teen-agers then in grade school are now Credit executives throughout the country, many of whom, no doubt, are anticipating the 40th Annual Conference now but a few short months away.

Judging from the large number of advance hotel reservations, an all-time high attendance is to be expected, denoting a healthy and progressive interest in the objectives of the Conference to be staged in this City, the financial metropolis of the West.

"The City That Knows How," will be your host in July, and the Associated Retail Credit Men, in collaboration with the Credit Women's Breakfast Clubs and the Associated Credit Bureaus of America, will open wide the Golden Gate of welcome and hospitality.

Nineteen thirty-nine was indeed a memorable year; the Golden Gate International Exposition on Treasure Island was in full swing, and the City crowded with visitors from the four corners of the globe and every State in the Union. The two great marvels of engineering, the Golden Gate Bridge, with a 4,200-foot-long channel span, and the Oakland-San Francisco Bay Bridge (more than 85,000 vehicles pass over it daily) had been opened less than three years. The latter is now inadequate to cope with the ever increasing traffic and a third bridge is in the making.

This was the Convention scene, June 19-23, 1939, at the Palace Hotel, a world-renowned hostelry, when nearly 1,000 of us met at the 25th Annual Conference. A capacity crowd in the auditorium was called to order by our President, Leo Karpeles of Birmingham, Alabama. Our membership, then 14,780, has now grown to approximately 35,000. C. E. Moorman of Jacksonville, Florida, President of the A. C. B. of A., and Marion Brooks of Baton Rouge, Louisiana, President of the C. W. B. C. of North America, were also in attendance that day at the Exposition on Treasure Island, and the memorable address by Dr. Aurelia H. Reinhardt, President of Mills College in Oakland, will long be remembered. Leop. L. Meyer introduced the speaker in his inimitable style.

Only those who work behind the scenes in promoting a National Convention can fully appreciate the enormous amount of effort and careful planning required. The forthcoming Conference in July will be the second time this City has entertained the N. R. C. A., and for months the various committees have been working assiduously to accomplish the desired result—that each annual gathering, benefited by the experience of its predecessors, should be better than ever.

As far as we are aware, a complete history of the As-

sociated Retail Credit Men of San Francisco has never been compiled, but a few high lights will be of interest. Established April 6, 1917, the Associated Retail Credit Men of San Francisco has been functioning continuously since that time. Our first three presidents, B. von Turner, G. K. Kramer and E. J. Dollard, established the pattern of wholesome educational policies for the benefit of all credit men and women in the locality which has been carried out since that time. Such a foundation of worth-while activities is, undoubtedly, the reason this Association has prospered through the years.

Our local credit bureau is one of the nation's oldest, founded in 1894 by William Loewi, who, as bureau manager, achieved outstanding success. He passed away in 1925, having lived through World War I, and having witnessed the start of the installment age. Some of his prophecies made at National Conferences in the latter years of his life would make good reading today. He was amazingly right.

Through the years the bureau has grown and advanced to keep ahead of the steady growth of consumer credit. It is significant that our bureau has always realized the importance of the National Retail Credit Association and its local chapters. The bureau plays an important part in the affairs of the Associated Retail Credit Men of San Francisco, and has done everything in its power to ensure the success of our programs. We are proud that there are more members of the National Retail Credit Association in San Francisco than in any other California city—over 700 members, and all credit due to the local bureau.

Back in the days before the Consent Decree, when community credit policies were deemed advisable, this Association was successful in curbing the competition in terms that occurred during the late 20's and early 30's. As the situation in this area proceeded from bad to worse, a committee of ten credit men was appointed, known as the Terms Revision Committee. This group met with the store owners and many of their constructive recommendations were approved.

And so through the 37 years of its existence, this Association has grown and prospered and now anxiously awaits that day, soon to come, when it can be host to all of you at the coming Conference.

In closing, let me quote one of our native sons, Francis Meehan, as he describes the gracious hospitality and courtesies extended to the stranger within the gates by the early Californians over a century ago. "But one thing the host never overlooked; bowing low with the sedate gracefulness of Old Castile, he waved his sombrero in a comprehensive sweep that included house and household, stables and barns, fields and flocks, he uttered the meaningful traditional greeting, 'the house is yours'; it was a local charter of freedom." The passing of a century has not dimmed the spirit of that welcome. ★★★

The Changing Pacific Coast

WILLIAM F. BRADLEY, *Credit Manager, Gumps, Inc., San Francisco, California*

WITH THE approaching July Conference, thoughts of many of our Eastern friends will once more turn Westward. To many on the Atlantic seaboard, as well as the South and the Midwest, the name "Pacific Coast" has only a vague meaning. Perhaps they have only school days' history memories of it, and in the minds of some it is still a vast, sparsely settled region.

When the 1939 Conference was held in San Francisco, it was a pleasure to those of us on the Welcoming Committee to hear the expressions of delight and satisfaction of our visitors from all parts of the nation, whose eyes were opened as they journeyed up and down the Pacific Coast on their way to the Conference Mecca, San Francisco! This lusty young giant, the Pacific Coast, had long been loudly and insistently shouting for its place in the sun among the family of states. May we modestly state that the 1939 Conference left not only San Francisco, but the entire Pacific Coast much higher in the estimation of our good friends from the East and the South or any other part of the nation from which they hailed.

Now in 1954, that lusty young giant of 1939 has doubled his size and today truly commands the respect of the entire nation, and the Horace Greeley cry, "Go West, young man," has been heeded by both young and old. The population trend toward the Pacific Coast is not only fantastic, but somewhat disconcerting to other parts of the nation. Without contradiction, World War II was the chief factor in acquainting millions of Americans with the advantages and attractions of our Western seaboard. The fact that so many have returned out here after the war and the huge and steadily increasing march Westward has captured the eye of big business, is the best indication that this population shift is permanent. So that is why we have titled this short article "The Changing Pacific Coast."

The purpose of our comments is not intended to be Chamber of Commerce. The Chamber can do a much better job than we amateurs. But the thing that does concern and interest the credit fraternity is what has this unprecedented growth of a huge region, such as the Pacific Coast, presented in the way of credit expansion and credit problems? What is there in this mushroom increase of population that has given us experience and special problems which we can pass on as a benefit to our fellow credit executives? That is rather a large assignment and I seriously doubt if any one person or even group would be competent to tackle it successfully. So we will have to settle for the casual opinion of the individual here and there, who has run into the problems of a fast growing population.

First of all, it has naturally called for more "out of state" credit reports. This has added a heavy burden to the credit bureaus on the Pacific Coast, but by and large they have handled this special problem successfully. It has also called into play a higher percentage of "calculated risk" credit extensions than heretofore. Much of this has been justified on the basis of low bad-debt losses.

Some of it has been caused by report-getting delay, beyond the control of the local credit bureaus. But regardless, it has caused us here on the Pacific Coast to take a new look at credit extension to newcomers to our communities and we have learned many things in dealing with this special problem that only emergencies can bring to light. Many of these experiences and problems will be discussed and explained to you at our forthcoming Conference. They are many and varied and will furnish rich discussion material for the various group conferences which are the very heart and soul of a national conference.

Keep in mind that the huge growth of the Pacific Coast region, has brought together within its boundaries, people from all states of the Union, who have been used to many business traditions and practices, sharply contrasting those in force out here. This of necessity created a great "melting pot" in which the merchant and the consumer had the unusual experience of achieving a "meeting of the minds." It called for constant, shifting credit promotion strategy, some of which "caught on" with the public and some of which was discarded as it failed to achieve customer popularity. May we, therefore, once again say, out here it is truly a "changing Pacific Coast." While we, too, have traditions built up over the years, they were quickly uprooted during the postwar years and we are now adjusting our credit policies to meet the constantly changing customer demands. This adjustment is probably accentuated more on the Pacific Coast because of the great population influx since the war.

The bad check problem, which always accompanies great population growth, is a severe headache to us out here. We will have some unusual experiences to tell you about bad checks in our group sessions at the July Conference.

To those in the petroleum field, you will find California the largest user of credit cards in the nation; to those of you in the banking field, you know that the largest bank in the world has its headquarters in San Francisco, and that is the Bank of America. We merely cite these two fields at random so that you will know that we are drawing men and women from them to attend the Conference and give you the benefit of their long experience. There are many others, too, in the department store, specialty shop, utilities, etc., world, who have been assigned to help make your Conference a most educational one.

All in all, you will have a representative group from the Western seaboard states as participants in all of the credit education programs, so that you will receive the full benefit of what's going on in our "changing Pacific Coast."

So come to the Pacific Coast in July. Regardless of where you enter its boundaries en route, San Francisco is your most important destination. Your visit here will be one that you will long remember. We guarantee that. The City by the Golden Gate, once visited, will draw you back countless times to revisit it in the years to come!

★★★

Does a Telephone Company Need a Credit Man?

J. A. Lopez

**Credit Manager, San Francisco Division
The Pacific Telephone and Telegraph Company
President, Associated Retail Credit Men of San Francisco**



DURING the 22 years I have been in the credit department of the telephone business any number of people have asked me why a company like Pacific Telephone needs a credit department. "You have no competition," they say. "All you have to do is to yank the telephone out if the bill isn't paid."

It would be nice if that were all there was to it. Actually, there is much more. We do have competition in a business way and in a credit way too. Each new development in the communications field adds to our competition. We compete directly with companies making excellent private telephone systems. We compete with private, point-to-point radio systems which take the place of long distance calling. I dare say there will be a time when private television systems will be used for business purposes. When they do we will offer them. Telephone scientists have had a big part in the development of this new field of communication as they have in all other fields.

Competition in Telephone Business

Radio, complex private telephone systems and television are the heavy guns of the communications business. The average man is more familiar with the "small arms": the telephone on the shelf or table at home or the instrument on his desk at the office. So in talking about credit those are the telephones we will be thinking of. The heavy guns seldom give trouble credit-wise anyway.

When it comes to competition in credit itself I can and do testify that we have it. Take a customer with a telephone bill for five dollars in one hand, someone else's bill for five dollars in the other, and five dollars in his purse. That is competition. Be assured that we do not stand poised and ready to rush forth and yank out his telephone if he decides to pay the other bill. But our margin of profit is so small that vigilance on credit risks is necessary.

Pacific Telephone, part of the Bell System, serves the Pacific Coast. We operate throughout California, Oregon, Washington, Nevada and in part of Idaho. In San Francisco, we have about 310,000 separate accounts and to each one of these we extend credit.

As a utility we cannot pick and choose our customers as do other businesses. We serve everyone under regulations imposed by the Public Utilities Commission in California and by similar bodies in the other states in which we are active.

It can be argued that these regulations afford us protective measures when accounts are opened. They do, but only minimum protection. They are set up to meet the conditions of the normal applicant. As an example, on a business telephone, we normally collect a deposit equal to one month's fixed charges for the service. Since bills are sent out monthly, in arrears, current charges and

long distance, which is an extra, are not protected.

On a residence telephone we may collect either a deposit or an advance payment depending on the type of service ordered. The amount collected is again equal only to the fixed monthly minimum.

In cases of previously impaired credit, temporary or speculative enterprises and known hazardous or questionable businesses, we are permitted to collect larger deposits. These cases are few, fortunately, in relation to the total, and since they represent a type of headache familiar to most credit executives we will gladly leave them without saying more than that we watch them carefully.

When a man arrives in a new community to set up in business or make a home, his first requirements are invariably the utilities. In most cases, he wants them in a hurry. In the telephone industry, one of the benchmarks of good service is the speed with which we complete an order. Working this way the interval between receipt and completion is too short to make prior checking of his credit practicable. So we must dispense initially with the three "C's," credit capacity, capability and character.

Even so, once the service is in, we set no credit limitations. We never know how much added service a customer will need or how heavily he will use it.

It is the use of long distance that makes the telephone industry unique in the credit field. Anyone can pick up his telephone or someone else's telephone for that matter, and in a few minutes at most, we will deliver his voice on credit, to practically any place in the world. No arrangements need to be made in advance, and no O.K. is necessary. It makes no difference if we get the order at three in the afternoon or three in the morning. We fill it as quickly as we can.

Checking Telephone Credits

Imagine what would happen if we were to check credit before we completed a long distance call. In San Francisco, alone, people use the telephone about 2,132,000 times a day. Not all of these calls, of course, are long distance, but about one and a half per cent or 32,350 are. Add to these the long distance calls placed in every other city and town in the country (San Francisco is not unusual in its calling volume) and checking quickly becomes an obvious impossibility.

The fact that we can operate this way, successfully, makes it obvious also that most people are honest. There are a few who are not and a few more who under stress of necessity or emotion get in over their heads. John Barleycorn too, has an affinity for the long distance call. From these few come many of our painful collection problems.

Long distance charges can add up. Not long ago a family developed a severe case of telephinitis, a term we use occasionally, and in a day's time we had a bill for over \$600.00 on our hands and they had no money to pay

it. Others had done the same thing before and still others will do it again. But the percentage is small and, we repeat, most people are honest.

Businesses in trouble, make trouble for us. With a great deal at stake the normal businessman will not give up without a final effort. In making this effort he frequently turns to the telephone to promote sales or to obtain capital, and his telephone bill rises.

One such desperate concern, lately, after months of averaging \$20 to \$25 in telephone bills, used better than \$800 worth of long distance in a week in an attempt to get the backing to stay in business. They did not make it and we still have the final bill in the uncollectible file.

Telephone credit cards, in use throughout the Bell System, can be appraised more carefully before issuance. Sometimes, though, we miss or the customer's business takes an adverse turn. To recover the card or to stop use poses a neat problem. Stopping use, effectively, would mean alerting practically every operator in the United States and Canada and there are about 235,000 of them. If a card holder is so inclined he can make things difficult for us, indeed, while traveling around the country. Credit men, experienced in dealing with gasoline credit card holders, will know what we mean.

Quoting losses of \$600.00 and \$800.00 may seem to some of you like dealing in peanuts. It is the number of accounts that we handle that makes us different. Our accounts in San Francisco average only \$18.00 monthly. If we were to pull out a few of the large business bills from the total the average would be much less. We depend on volume rather than size and we cannot afford to

think big about money at risk or outstanding. If sometimes we seem too concerned about an overdue small bill that is the reason.

As you would assume, residence accounts outnumber business. The ratio is about four to one. But the ratio reverses with the money the bills represent. About 80 per cent of our billing lies in the business services. Losses are about evenly divided between the two, another reason for our concern about the small residence bill.

All of our accounts are graded. While normal payment terms are 15 days the grading determines the type of treatment. Accounts in the same grade are given the same treatment and we lean over backward to be reasonable. Even though there were no regulations governing us we would play it the same way. We have learned it is the best way.

Once in a while someone needles me, saying, "You fellows are in the driver's seat. All you have to do is cut off the service." In my experience cutting off the service amounts to cutting our own throats. It does not produce the money and it loses us a customer we do not want to lose. Certainly the right to cut off is a wedge, but it is no stronger than the methods used elsewhere—refusing delivery of goods, stopping credit, or reclaiming merchandise. We have not yet found the way to reclaim an unpaid-for toll call.

If we were not regulated and if there were other telephone companies trying to wean our customers away we would probably continue to operate in much the same way we do now. The public has both our liking and respect. We cannot get along without theirs. ★★★

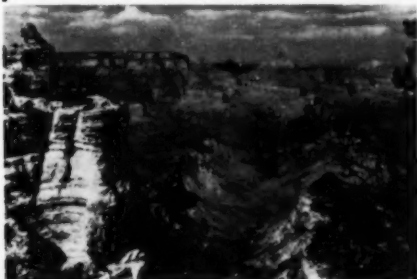
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Here's an alluring—twice enticing—opportunity to attend the International Credit Association Convention in San Francisco, July 18 through July 23, 1954. Briefly stated, it includes an 8,000-mile ALL-EXPENSE tour of America's SCENIC-CIRCLE—18 days of travel, pleasure, and achievement—all placed within the reach of the average person, by special arrangement explained in the "President's Special" folder.



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"Tradition and Common Sense, Too"

Frank T. Caldwell

General Manager, Retailers Credit Association of San Francisco, Inc.
San Francisco, California

I THINK MOST, if not all, credit people will agree that the Credit Bureau in any community should be the center about which all the activities of their profession revolve. That includes, of course, educational development, surveys, programming of group gatherings and promotional efforts to enhance the prestige and worth of the credit fraternity. It goes without saying that the Bureau must also be the reservoir of information. The management of any Credit Bureau must consider it a primary duty to instill as well as promote a strong sense of cooperation between credit granters and to encourage in every way the building and maintenance of an effective Retail Credit Men's Association. All of this sounds trite and obvious and it is, except that sometimes this responsibility is not recognized and, therefore, often not accepted.

Regardless of the size of a community and irrespective of whether or not the credit granters are store owners themselves or exclusively managers of credit sales, the fact remains that an organized group of credit-minded people conscious of the trends of consumer credit, the need for education along credit lines and acutely aware of the need for sharing ideas, will generally be found where there is strong and aggressive bureau management. One just does not happen without the other. The 60-year-old Retailers Credit Association of San Francisco is a good example and lest I sound boastful, I hasten to add that both our own organization and the Associated Retail Credit Men of San Francisco were fortunate, many years ago, in having within their ranks forceful personalities and aggressive leaders. Their accomplishments generated a momentum that has always had a powerful effect on those who followed later on. In fact, succeeding regimes both in the Bureau and in our Credit Men's organization have felt the compulsion to carry on what we think is a progressive credit bureau and a cooperative, harmonious chapter of the National Retail Credit Asso-

ciation. I have the conviction, knowing San Francisco's love for tradition as I do, that none of us would have lasted very long if we had not felt that way.

For more than a quarter century our Bureau has occupied the same corner premises at 15 Stockton where four streets intersect (Fourth, Stockton, Ellis, and Market) in downtown San Francisco. (If you do not believe four different streets can converge without a circle in the middle, as in Washington, we will show you next July!) We occupy three floors in the Retailers Building with part of an additional floor for cloakrooms and our own lunchroom. This makes us a sort of vertical credit bureau but we like to think it also makes us unusual, even if it sometimes is inconvenient. Our present working force consists of 150 people in our Reporting, Protective, and Adjustment Departments, all of them supervised by department heads. Every one of the latter has been with us at least 14 years and four have more than 25 years' seniority each.

A few years ago, after many studies and surveys, the Pacific Telephone and Telegraph Company removed our old turret telephone switchboard of ancient vintage, popularly known as The Chinese Wall, and replaced it with eleven call boxes spaced strategically about our reporting room atop the filing cabinets. Incoming calls for reports come directly through the boxes and may be taken by any one of 12 roving reporters with headphones, regardless of the surnames of the subjects under inquiry. The calls are held while the operator pulls the files, which are read back by plugging the telephone jacks into any of the eleven boxes that happen to be closest to the file containing the names. This procedure is not new, nor is it original, but it does save infinite time and refileing. It also saves wear and tear on the nerves of our subscribers since the reporter who answers their calls can take all of their inquiries and read back all reports without the necessity of rerouting through PBX or transferring the calls around through the alphabet.

We like to tell our subscribers that there is no instruction-manual-hocus-pocus in calling for reports. "Just dial us and give any reporter who answers, everything you've got." Inasmuch as one of the requisites of bureau management, naturally, is to provide a reporting pool in which all information should be concentrated city-wide, we have tried to be mindful that the best way to foster the ideal is to make it easy and simple for our more than one thousand members to give us inquiries and to receive fast reports. Every intermediate step we can avoid and every transfer we can eliminate to get the inquiry in and the report out, brings us closer to our goal. A million and a half credit files in our cabinets are stern taskmasters but a waiting customer is even sterner.

In the broader sense, of course, the Retailers Credit Association aims to be the rallying point for the benefit of all our credit executives, not alone for the credit in-

(Turn to "Tradition," page 21.)



So You Are Coming to San Francisco

Mrs. O. Willard Frieberg

Chairwoman, Ladies Guest Committee
40th International Consumer Credit Conference



MR. CREDIT MAN: This article is really for the ladies. Of course, you may read it too, but be sure and take it home to the Mrs.

TO THE LADIES: You have probably always wanted to visit San Francisco. Just about everyone does. You will have a wonderful opportunity in July, when your husband travels to the 40th Annual International Consumer Credit Conference in San Francisco.

San Francisco has been the subject of several recent articles in a number of leading national magazines. They have described the wonders and beauty of our City much better than we could do it here. Suffice it to say, we know you will love every second of your visit to this Baghdad by the Bay. Your welcome will be fit for a queen. The gold of the Golden Gate will be gleaming; the cable cars ringing; the sidewalk flower stands blooming, and we will make sure the great Pacific will be its usual lovely blue. Please plan to join us as we would love having you.

Perhaps you are wondering what you will do in San Francisco. To solve this problem, which is really not a problem, we have formed a committee especially for you, the Ladies Guest Committee. We plan to greet you on your arrival and to take care of you during your entire stay, allowing you plenty of time for shopping and leisure. We have given particular attention to your daytime activities. These will be highlighted by a combined luncheon and fashion show but different from the usual! Our fashion show will be typically San Francisco, with its motif taken from our famous Chinatown. The costumes will be entirely Oriental and will include rare and magnificent ceremonial robes from the 14th century along with present-day Chinese modes. These will be shown by charming Chinese models. The luncheon will also be

traditionally Chinese and something you will long remember. Without giving away all of the surprises we have in mind, there will be favors and souvenirs of our Chinatown, and there also will be time to browse about the stores in the largest Chinatown outside of China.

There will also be a guided shopping tour featuring exclusive shops! This will include some of the world-famous specialty shops, art goods, florist, glassware, etc. Some of the stores to be visited will be: I. Magnin, famous for its modern decor and its chic clothes and accessories; Gumps, featuring the fabulous collection of jade and art objects from around the world; V. C. Morris, glass and crystal in a setting designed by Frank Lloyd Wright; Podesta-Baldocchi, Florist, recently featured in the *Saturday Evening Post*, and many others.

What will you wear? Remember, it is cool in San Francisco, which suggests Fall dress. Suits and tailored dresses will be appropriate and comfortable. A top coat, fur piece, stoles and gloves will be in order. Remember our hills. You will need low heeled shoes for walking. Small hats are easily packed and are more comfortable and suitable to our climate. In general, the mode of dress tends toward the formal. Sport clothes are preferable for your trips outside the City, and the general entertainment committee is planning on one such tour.

If you are coming to San Francisco, and we hope you will, we will appreciate it if you will please register with the Ladies Guest Committee at either of the conference hotels immediately upon your arrival.

We could not possibly exaggerate the delights in store for you during your stay in our wonderful City. We guarantee that your visit will prove to be a never-to-be-forgotten experience. *See you in July!* ★★★

Welcome to San Francisco

Elmer E. Robinson, Mayor

As Mayor of the City and County of San Francisco, it is my pleasure to welcome to our community all your members who can join in the business sessions of your organizations, so important to the distribution of goods to the people of our great nation.

Your members will find San Francisco to be a pleasant place in which to transact business in Summer. Those of you who can take vacations before or after the business sessions here will find San Francisco in the center of some of the loveliest resorts of beach and mountains to be found in this land. You will find San Francisco itself a never-ending delight with its hills and valleys.

Our citizens of foreign birth have brought to San

Francisco all that was good from their former native lands. If your members stayed here for their entire vacation, they could dine in a restaurant of a different nationality every night.

More than anything else to contribute to your visitors' pleasure, perhaps, will be the unfailing interest of our citizens in your welfare and the enjoyment of your visit.

Your officers have already discovered and your delegates will discover that our city is taking a serious interest in the success of the meeting by setting up a Convention and Visitors Bureau which has been serving you and which will serve your members well while they are here in every way that we know how.

Public Utility Group Plans

Credit Executives from Gas, Electric and Telephone Companies throughout the nation are planning to attend the Public Utility Group sessions of the National Retail Credit Association's 40th Annual Consumer Credit Conference in San Francisco July 18-22, 1954.

The group meetings will include some of the finest speakers in the utility field who will provide answers to prominent credit and collection problems within the industry today. At the round table luncheon meeting on Thursday, July 22, it is planned to discuss in "off the record" fashion questions submitted to the Committee. Delegates will be asked to come prepared with facts in order to participate authoritatively. This "Roll Up Your Sleeves" type of meeting is conducive to the sharing of worth-while ideas which delegates often find helpful in cutting the costs and/or improving methods in their respective companies. Bring a folder of your collection notices and letters for the "exchange notes clinic." You will help yourself and others by doing so.

Speakers on Tuesday and Wednesday, July 20 and 21, will include Forest U. Naylor, Credit Manager, The Pacific Gas & Electric Company, San Francisco, and President of the Credit Managers' Association of Northern and Central California, who will speak on the subject "The Four Objectives of Credit Management and Evaluation of Results"; Russell B. Mitchell, Credit Manager, The Peoples Gas Light and Coke Company, Chicago, Illinois and Chairman of the Customer Collections Committee, American Gas Association, who will address the group on the subject, "Deposit Practices and Trends"; Richard Schatz, Supervisor of Credit and Collection, Washington Water Power Company, Spokane, Washington, whose subject is "Final Bill Collection Techniques and Follow-Up"; and William J. Billings, Division Commercial Manager, The Pacific Telephone and Telegraph Company, Seattle, Washington, whose dual subject will be "The Use of Telephone in Credit and Collection Work" and "The Training of Employees in the use of the Telephone in Credit and Collection

Work."

The group will have a luncheon meeting (outside of hotel) on Thursday, July 22, following which it will be in session from 2:00 to 5:00 P.M. It will be in the form of a round table discussion of questions concerning utility credit and collection problems. Everyone will profit by a free exchange of ideas on common subjects.

Bring in your pet problem or, better yet, jot it down right now, and send it in to be placed on the agenda. This is your meeting, and we want to discuss those items which will be of interest to you. Any such contributions (the more the merrier) should be sent to J. A. Lopez, Credit Manager, The Pacific Telephone & Telegraph Company, 445 Bush Street, San Francisco 8, California. Mr. Lopez will conduct the Thursday meeting.

Publicity has already been mailed to utility executives throughout the nation and Canada by the Committee and further details will be mailed to credit executives this month. J. B. Olsson, Credit Manager of The Brooklyn Union Gas Company, Brooklyn, N. Y., is Chairman of the Group, ably assisted by Co-Chairmen Messrs. J. A. Lopez, Credit Manager, The Pacific Telephone and Telegraph Company, San Francisco, and J. R. DiJulio, Credit Manager, City of Seattle, Department of Lighting, Seattle, Washington. Reports from San Francisco indicate advance reservations have exceeded all expectations. So much so, all available rooms at both the Fairmont and Mark Hopkins Hotels have already been taken. Ample space is available at other near-by hotels. It is therefore advisable to make hotel reservations immediately by writing to Frank T. Caldwell, General Manager, Retailers Credit Association of San Francisco, San Francisco 6, California. In order to assure hotel reservations, it will be necessary to also enclose a check for approximately one day's charges. Check should be made payable to Mr. Caldwell, who will endorse it over to the hotel at which reservations will be made.—J. B. Olsson, *Chairman*, Public Utility Group, The Brooklyn Union Gas Company, Brooklyn, New York.

Text and Reference Books Published by the N. R. C. A.

Retail Credit Fundamentals, 390 pages	\$5.00
Retail Credit Management, 477 pages	5.00
Streamlined Letters, 464 pages	5.00
Important Steps in Retail Credit Operation, 76 pages	1.50
How to Write Good Credit Letters, 128 pages	2.25
Physicians and Dentists Credit and Collection Manual, 64 pages	2.00
Successful Credit Department Letters, 32 pages	1.50

* * * * *

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

Salinas

Home of the California Rodeo

"Salinas—Home of the California Rodeo." That sign strung across the main street of the city of Salinas, just 100 miles south of the conference city of San Francisco, has a special welcome for delegates and guests of the National Retail Credit Association, Associated Credit Bureaus of America and Credit Women's Breakfast Clubs of North America, who plan to arrive early in California.

It is their invitation to California's oldest and greatest rodeo which, for four full days preceding the opening of the conference, will turn this normally bustling modern city into the cowtown of its origin during the days of the Spanish dons. In the rodeo, the old time rules of 1849 are still used in many instances and the fiestas and fandangos of those carefree days of open handed hospitality all have their modern counterpart as Salinas celebrates "Big Week," July 15-18, 1954.

Wishing to perpetuate the old customs of the Spanish days when caballeros in velvet breeches and gold lace rode the vast ranchos of the Salinas Valley and cowhides served as leather bank notes, the present day stock raisers of the area revived the California Rodeo in 1911. With the exception of the war years, it has been staged annually ever since.

No trace is now left of the short-haired, long horned Mexican cattle first brought to California, but none could have been more formidable, or have offered a greater challenge to the cowboy than the salty stock of Brahma bulls and outlaw horses which are hand-picked for this rodeo. The Spanish senorita with her flashing eyes and clicking castanets has been replaced by the "Hostess" and "Sweethearts" of the California Rodeo chosen each year from cities throughout the state to welcome visitors from all parts of the country to "Big Week."

The fiestas and fandangos which accompanied the early rodeos are reflected in the "Big Hat" barbecue and folk dancing which have become a colorful part of the many festivities accompanying the rodeo and track events. Only the top cowboys of the nation compete for the championship.

Purses are the richest for any similar four performances in the world often reaching as high as \$50,000.00, with entry fees added. Main arena events are saddle bronc riding, bareback bronc riding, Brahma bull riding, steer



ENJOY MORE OF THE WEST

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CONVENTION



Mt. Rainier, A Thrilling Sight

Credit men and their families, planning to attend the San Francisco convention, are invited to travel together in a congenial, friendly party, via the scenic Pacific Northwest. Planned tour includes sight-seeing in Seattle and Rainier National Park and adds many miles of enjoyable travel at no extra rail fare from most eastern cities. Write for free descriptive folder. Address A. W. Jones, Northern Pacific Railway, 919 Boatmen's Bank Bldg., St. Louis 2, Mo.

wrestling, calf roping and team roping. A mile long parade of more than 1,000 horses, many of them with fabulous silver trappings, is the signal for the opening of each rodeo performance. As it wends its way through Main Street to the rodeo grounds it presents a spectacle unexcelled anywhere else in California.

On July 17, 1954, the Salinas Junior Chamber of Commerce stages its famous Colmo del Rodeo, or climax of the rodeo, float parade. Chuck wagons with teams from Canada competing against outfits from California and other Western states are the featured attraction of the track department of the rodeo which, this year, will present a greater variety of competitive horse events and exhibition riding and roping than ever before. Other events will include Roman riding, trick and fancy riding and roping and judging of stockhorse, cowhorse and jacquima classes.

Shown below are two pictures taken at the rodeo last year. On the left is Jack Buschbaum, one of the top saddle bronc riders of the country, riding a mean critter. He will be back in the saddle again this year. On the right is a little dogie that got away from Dave Stout in the calf roping event.

Salinas is located on El Camino Real, or the King's Highway, on the direct coast route from Los Angeles. Further information and reserved seat reservations may be obtained from J. M. Dungan, Salinas Valley Credit Bureau, 416 Salinas Street, Salinas, California.



Four Successful Credit Schools

CREDIT SCHOOLS sponsored by the National Retail Credit Association and conducted by Sterling S. Speake continue to be held in many parts of the United States and Canada. Glowing reports arrive at the National Office almost daily concerning the success of these schools.

In the upper left photograph below, are shown the 84 students of the school conducted at Tucson, Arizona. Students in attendance included several girls from the Credit Bureau. Reports from students indicated that they found Mr. Speake to be a wonderful instructor and the sessions of great value to them in added knowledge and inspiration.

The lower left photograph below, was taken at the opening session of the first Credit School conducted in the state of Virginia. This school, with an enrollment of 98, was sponsored by the Credit Women's Breakfast Club of Roanoke, with the cooperation of the Roanoke Merchants Association. Interest and enthusiasm of those in attendance were marked by a high level of attendance throughout the sessions. The school was stimulating and informative, according to all reports and many said it proved most helpful to them in their daily work. The Credit Women's Breakfast Club of Roanoke recommends such schools to other communities for greater efficiency in credit management and improved collection procedures.

Students of the Fort Smith, Arkansas, Credit School numbering 63 reported that Mr. Speake's method of teaching, using charts, blackboard and flannel board was most interesting and effective. (See photograph in upper right, below.) One student reported that "His humor and pleasant manner kept every student alert and anxious

awaiting his next remark." The school was sponsored by the Credit Bureau of Fort Smith and the Fort Smith Retail Credit Association. Hugo Seelbinder, manager of the credit bureau reported that "This Credit School was the finest educational project ever undertaken in the community." He predicted lasting benefits would be enjoyed from the school.

Shown below, lower right, is a photograph of a highly successful Credit School held in Rochester, New York, in September, 1953. The four sessions were held in the auditorium of the Rochester General Hospital with 131 students in attendance. Arrangements for these accommodations were made by A. J. Perrez, Jr., of the executive staff of the hospital. Details of the program and promotion were handled by Gerald Brooks, Manager of Credit Sales, McFarlin Clothing Co., who is also Chairman of the Rochester Retail Credit Association's educational committee and Past President of the Association. Of the total number of registrants, 38 were from the hospital, medical and dental fields indicating that there is considerable interest in sound credit and collection procedures on their part. Increased active interest in the Rochester Retail Credit Association and a gain in membership were gratifying by-products of the school.

Local Credit Associations, Credit Bureaus, and Credit Women's Breakfast Clubs wishing to sponsor a Credit School, conducted by Mr. Speake, should write the National Office and arrange for the dates the school is to be held. Address, National Retail Credit Association, 375 Jackson Avenue, St. Louis 5, Missouri, and give your first and second choice month in which you want the school scheduled.



San Francisco—The Glamour City

Plan now to come to San Francisco by air, bus, rail, or automobile for the 40th Annual International Consumer Credit Conference. You will find the people friendly and San Francisco's climate invigorating. The average year-round temperature is 61. Thrills and surprises await you in the City by the Golden Gate. Because of the many interesting things to see and do, San Francisco has been called the "glamorous city."

The bridge from Oakland to Treasure Island and across the remainder of the Bay to San Francisco is the only eastern gateway into the city. All delegates will come either across the bridge by bus or car, or, if by rail, beneath it on the ferryboats. You will see the city rise from the Bay, and its tall buildings on steep streets glittering in the sunshine. In the evening you may want to walk through Chinatown with its many pagodas and joss houses. You may find friends and associates enjoying the scenes and exploring Chinatown. It is the largest Chinese settlement outside of the Orient.

If you want to see more of fabulous San Francisco you will walk beyond Chinatown and up the circling streets of the Latin Quarter, and go on the Fisherman's Wharf for dinner. By this time you will have developed a ravishing appetite. No time will be wasted in selecting one of the many restaurants for a delicious seafood dinner.

Your tour of the Latin Quarter would be incomplete unless you climb to the top of Telegraph Hill and enjoy the breath-taking view of the city, the bay and the great

David K. Blair

**General Conference Chairman
40th International Consumer
Credit Conference**



bridges. A delightful boat trip round San Francisco Bay, under the Golden Gate Bridge, around Alcatraz Island, and Hunter's Point Dry Dock, can be arranged.

Be sure to dine at one of the many world-famous restaurants in San Francisco. In this city you can have the pleasure of dining around the world: French; Italian; Swedish smorgasbord; German; Russian; Spanish; Chinese and Japanese.

There is much to see in the City by the Golden Gate. There are other points of interest up and down the Pacific Coast from Puget Sound in the north to San Diego in the south. Your trip can include the beautiful scenery of the Sierra Nevadas, Yosemite Park, Lake Tahoe and along the coast of Santa Barbara, Carmel by the Sea, and Santa Cruz. A visit to Hollywood and Los Angeles will interest many.

On your return home you will tell others of your grand trip to San Francisco and the West Coast, and you will be reminded over and over again of your stay in the City by the Golden Gate.

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San Francisco Awaits You

THE FORTIETH ANNUAL International Consumer Credit Conference will convene at the Fairmont and Mark Hopkins Hotels, San Francisco, California, July 19, 1954. It will close with a banquet on Thursday evening, July 22.

On Monday afternoon there will be an Open Forum, of which First Vice President, William J. Tate of Ottawa, Ontario, Canada, will be chairman. Guest speaker will be the Honorable Marriner S. Eccles, Chairman of the Board, First Security Corporation, Salt Lake City, Utah, formerly Chairman of the Board of Governors, Federal Reserve System. The subject of his address will be "Relationship of Monetary Policy, Debt Management and Taxes to Economic Stability." The author of *Streamlined Letters*, Waldo J. Marra, San Francisco, California, will speak on "How to Improve Your Letters." "The Business Outlook for the Last Half of 1954" will be covered by Paul Millions, Vice President, Commercial Credit Company, Baltimore, Maryland. W. E. Ryan, Credit Manager, Broadway Department Store, Los Angeles, California, will discuss "Advantages of Having Applicants for Credit Fill in Their Applications." "National Legislation" will be reviewed by Clarence E. Wolfinger, Lit Brothers, Philadelphia, Pennsylvania, Chairman of the Legislative Committee, and "Credit Schools and Results" by Sterling S. Speake, Retail Credit Specialist, Austin, Texas. "Charging a Fee for Cashing Bank Checks" will be the topic of C. A. Wildes, Manager, Credit Bureau of Minneapolis, Minnesota, and David K. Blair, Credit Manager, H. Liebes & Company, San Francisco, California.

The first general session of the conference opens Tuesday morning at nine o'clock. The speaker will be George A. Scott, President and General Manager, Walker's, San Diego, California, the title of whose address will be "Oh, No, Not That Again." It will be followed by a panel discussion of "Building Credit Sales," participated in by Dean Ashby, Fort Worth, Texas, Harley J. Boyle, Spokane, Washington, and Hugh L. Reagan, Nashville, Tennessee.

On Wednesday morning, Carl A. Bimson, President, Valley National Bank, Phoenix, Arizona, is to address the conference on "Consumer Credit—Its Effect on Our National Economy." His address will be followed by a panel discussion of "Sound Credit and Collection Policies." Panel members follow: George V. H. Brown, Long Beach, California, Harry L. Bunker, Oakland, California, L. A. Buzard, Seattle, Washington, Carl K. Kaessner, Pittsburgh, Pennsylvania, B. C. DeLoach, Birmingham, Alabama, L. A. Brumbaugh, Phoenix, Arizona, and W. G. Wylie, Tacoma, Washington.

On Thursday morning the president of the National Association of Credit Men, F. M. Messer, Dohrmann Commercial Company, San Francisco, California, will address the conference. Subject will be announced later. It will be followed by a panel discussion "Cooperating for Better Service." Participants follow: Franklin Blackstone, Pittsburgh, Pennsylvania, Chalmer Blair, Portland, Oregon, Thos. Downie, Vancouver, B. C., Canada, Bernard J. Duffy, St. Paul, Minnesota, Marjorie Girton, Des Moines, Iowa, M. G. Goeglein, Los Angeles, California, J. D. Hartup, Spokane, Washington.

Group meetings, with few exceptions, will be confined to questions only, prepared in advance. They will be asked and answered from the floor, as in the past.

Because many members have a common interest in questions and answers of other groups, it has been decided to devote Thursday afternoon to a "Credit Workshop" in which most groups will participate. Chairmen of the respective groups will form the panel.

Group meetings will be held from two to five o'clock on Tuesday and Wednesday afternoons; also on Thursday afternoon for groups not taking part in the "Credit Workshop."

You cannot afford to miss this most important conference. *Arrange with Management now to attend.*—L. S. Crowder, General Manager-Treasurer, National Retail Credit Association.



Registration Blank

San Francisco, California, July 19-22, 1954

Registration fee \$15.00 for delegates and \$10.00 for wives and members of the families of delegates.

Name _____

Firm _____

City and State _____

Will attend sessions of _____ Group

Date and Time of Arrival _____

My check is enclosed for \$_____

Make checks payable to Associated Retail Credit Men of San Francisco and mail to Frank T. Caldwell, Retailers Credit Association of San Francisco, 15 Stockton Street, San Francisco 8, California.

Skips Always Leave a Trail

Jack C. Silvers

**Credit Manager, Marks-Fitzgerald Furniture Company
Birmingham, Alabama**

THERE HAS always been a bad element who shirked their obligations and rather than face them have gotten lost or, as we say, have become "skips." There seems to be more of them in the last six or eight months. The only accounting I can give for this increase is probably the increased cost of living, shifting of jobs, plus the fact that people have used up all their surplus savings.

I have made it my hobby to go out of my way to track down skips and either collect the money or repossess the merchandise. Naturally I have not gotten them all but I do feel that I caught up with more than if I had given up the trail too easily. Just like anything else in life to succeed at it you have got to work.

The more information you have to work with from the beginning, the better your chances. We try to find out as much about the man as he will tell us, directly or indirectly. The most valuable information is usually gained after you have put the application card away and laid the pen down. By assuming a relaxed attitude and offering the client a cigarette or piece of gum, he will also relax and usually divulge some valuable information that will help in handling the account, probably drop a hint of a brother, sister, uncle or aunt who could be contacted if the account did go sour. When the man leaves your desk jot this down on the back of the card for future use. Relatives and friends are most valuable sources for tracking a skip.

Trade references often prove good sources for information, especially so if in the community where he lives. A neighborhood grocer or druggist usually keeps up with the community gossip and generally is most helpful in passing it on to you.

Effect of Threat of Repossession

I use the standard procedure for finding the trail of a skip. The first clue is usually the returned mail, however, this happens only when the trail is cold. A sharp skip will leave a forwarding address or some friend who will pick up his mail and send it on to him, thus covering his trail and giving him a better head start on you. Sometimes the customer himself will return the mail marked "moved"—when he has not moved at all. To check these, I usually contact the neighbors, telling them I am an old friend from out of town looking for so and so. This usually turns up a good lead. Occasionally we use a plain unmarked envelope, addressed by pen. When this is delivered we get action from the letter enclosed. "Although we have repeatedly called your attention to the fact, payments on your account are long past due, and you have failed to give the matter your attention. We feel that you do not care for the merchandise any longer. Therefore we will send for it unless we receive \$— by —." Most people are prompted to action by threat of repossession rather than by suit of legal action.

The next step to trace a skip is the contacting of rela-

tives and personal friends. If these are properly approached they will gladly lend advice and information. Anywhere you can pick up a clue you are getting closer to the end of the chase. Whether you know a man owns a car or not you can get information from the automobile license bureau, which at the present time will give their present address, if they have a car.

When everything else has failed I try to make contact through one of the utility companies. Unless the man has changed his name or left town this will really turn them up, but we find that we must be careful and not ask for information too frequently; it is a lot of trouble to them.

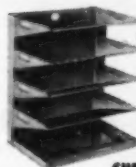
I have found them by using the services of the telephone company. Sometimes they show up in the book. I have called "information" and asked for the phone of Mr. so and so at such and such address. They often reply "I don't have a so and so at that address but I do have a new phone listed at such and such address." Naturally I jot this little "gem" of information down and am hot on the trail again.

All Removals From City are Registered

When all efforts have failed or I have a hunch that my man has skipped town I phone the Police Department and ask for the record room. Every licensed moving company must register all removals from the city with this office. I caught one this way recently.

The party had a pretty large account of \$1,200.00 that had been paid down to \$800.00 at the rate of \$100.00 per month and there had been a substantial down payment with the purchase. When the account had gotten a little over two months past due, I started checking. I found out, from the wife, that she and her spouse had parted ways and she did not know where he was nor the whereabouts of the furniture. She thought he had left town. The police records showed that he had stored the furniture at a local warehouse. Upon contact they assured me that they still had the merchandise and gave me his forwarding address. I had my attorney immediately impound the furniture and contact the husband for settlement or release of the merchandise. We did not get the money but we did get the furniture back.

Generally speaking, it is pretty difficult for a skip to get lost. If you really want to find him, and the debt is worth the effort, keep plugging and think of the many connections you have for getting a clue. ★★★



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Fraud Buying

E. C. Sullivan

Executive Vice President, Joake's of Texas, San Antonio, Texas

IN THE OPERATION of our stores, we have become, to varying degrees, accustomed to the phrase, "calculated risk." The systems, or lack of systems, which permit fraud buying must fall into this category.

Fraud buying may be classified into two categories:

1. The use of a fictitious account or name.
2. The use of an actual established account.

Unfortunately, fraud buying is not entirely external. Many cases of fraudulent purchasing have been with the collusion of or the working of store personnel. The obvious answer to the problem is one of proper identification, and of floor limits; a solution simple to state but difficult to enforce.

Recognizing the increasing trend of fraud buying, a store must determine for itself,

1. What amount of fraud buying can be absorbed as a loss, and
2. What action must be taken to protect the customer whose account is fraudulently used?

One of the difficult problems facing management is to explain to Mrs. Good Customer how it is possible for a person other than herself to use her account. This use, discussed at teas, and at dinners, can be as damaging to the store's profit picture as the dollar loss actually incurred.

To discuss the points as noted above:

1. What amount of fraud buying can be absorbed as a loss?

The answer should be none, but from a practical operation we know that this is not possible. The question of amount must be weighed in direct relation to the addi-

tional expense necessary to keep fraud buying to an absolute minimum.

Expense and other factors which must be considered in arriving at any decision are: low floor limit, increased authorizing personnel, positive floor identification, more tube or phone equipment available, greater floor supervision and a lowering of transactions per salesperson as the result of a more intensive system.

It is well to point out that many of these factors, if intensified, will result in a positive slowing down of customer service, penalizing a large percentage of customers to apprehend the fraud buyer. Thus, what is done becomes a "calculated risk."

Proper Control of Fraud Buying

No mention has been made of what can be done among stores, and with civil authorities. The proper control of fraud buying requires complete cooperation among stores. What happens to you today, can and usually does happen to your neighbor tomorrow. Immediate availability of fraud knowledge must be made to other stores, name, type of merchandise purchased, etc.

Rewards to store co-workers for the apprehension of fraud buyers can be helpful. Extreme caution must be used in handling such cases. All contacts should be made by a credit office representative.

The use of an outside agency can be beneficial at times. Careful study of fraud cases may develop similarity of names and addresses usually centering in a particular section of town. The agency will know how to pursue such investigation best. Your local Merchants Committee must make sure that civil authorities are aware of the growing importance of fraud buying.

2. What action must be taken to protect the customer whose account is fraudulently used?

The fraudulent purchase must be cleared immediately from the customer's account. Immediate reference should be made to your fraud file to develop any similarity with previous fraud purchases. To protect this customer against any possible future fraud charges, the account should be signaled, so that more than ordinary scrutiny will be given future authorization request. This is, however, a delayed action. The important thing is to lock the barn door before the horse is stolen.

Such action must originate on the selling floor with proper follow-up by the training department. The following points must be stressed: no salesperson can know every customer; and no credit identification medium should be left where it can be seen by another person. No name should be called over the authorizing phone in such a manner that an eavesdropper could hear and sales departments must be notified of all lost credit information cards. In addition, all violators of store policies must be disciplined.

The avenues opened for fraud buying are avenues of our own creation. *You and you alone must determine if the "calculated risk" justifies the end.* ★★★



AN UNUSUAL STICKER

THIS MOST UNUSUAL STICKER has been designed for use by members.

They should be used on letterheads of the credit department and on statements on which a previous month's balance has been brought forward.

THIS STICKER carries the prestige of the National Retail Credit Association and the slogan, "Guard Your Credit As a Sacred Trust," is an excellent educational message. Order a supply today.

SHOWN ABOVE actual size, they are printed in the National's colors, bronze blue on gold gummed paper.

Price, \$3.00 per thousand

NATIONAL RETAIL CREDIT ASSOCIATION
375 Jackson Ave. St. Louis 5, Mo.

Meetings
ELECTIONS

NEWS ITEMS

Personal and
OTHERWISE

Tri-City Dinner Meeting at Davenport

The Tri-City dinner meeting of the Retail Credit Association of Davenport, Davenport, Iowa, was held recently with 65 members attending. Members of the Credit Associations from Rock Island and Moline, Illinois, were guests. Amy Buckley, president of the Davenport association, presided and there was a panel discussion on credit questions. E. G. Nordstrom was moderator of the panel and members were: Paul Horrick and Ferd Stoerman, Rock Island; C. A. Siegfried and Eulalia Herrman, Moline; and Bernice McDougall and Ferd Haak, Davenport. An open discussion followed the panel period. The meeting created quite a bit of interest and it was felt that it was beneficial to all those attending the meeting.

W. W. Whatley Heads Hunt Grocery Company, Dallas

From Dallas, Texas, where District 8 of the N.R.C.A. will hold its annual meeting May 24-26, 1954, news comes that the first vice president of the Dallas Retail Credit Managers Association, Wilson W. Whatley is now president and general manager of Hunt Grocery Company. He recently acquired controlling interest in this fancy food business which does almost \$1,000,000 a year volume in Dallas and throughout Texas. Mr. Whatley has been associated with Hunt's since 1943 and has been vice president of the company for the past five years. A native Texan and a Dallas resident since 1927, he attended Southern Methodist University and was, for 16 years, with the Republic National Bank of Dallas. The store started business in 1895 in downtown Dallas; however, since the early 1930's the firm has been located in the Highland Park Shopping Village in that city.

Consumer Credit in January

Consumer instalment credit outstanding amounted to an estimated 21,444 million dollars at the end of January, 363 million less than the preceding month-end. The January decline compares with an increase of 167 million dollars in the same month of last year and with declines of 177 million in 1952 and 152 million in 1951. The January, 1954, decrease reflected in large part seasonal influences. Automobile paper decreased 205 million dollars, other consumer goods paper 110 million, repair and modernization loans 19 million, and personal loans 29 million. Holdings of instalment credit declined at all types of financial institutions and retail outlets. A decrease of 356 million dollars in charge accounts, largely seasonal in nature, was the principal element in a decline in the noninstalment total. Single-payment loans and service credit showed smaller decreases. Total short- and intermediate-term consumer credit outstanding at the end of January amounted to an estimated 28,125 million dollars, 771 million below a month ago and 2,451 million above a year ago.—Federal Reserve Board.

Joint Meeting at Los Angeles

A joint session of the Los Angeles Retail Credit Associates and the Credit Women's Breakfast Club of Los Angeles was held March 9, 1954, at the Hotel Clark presided over by the Presidents of both organizations, Theodore Lacey and Gertrude Svenssen, respectively. Representatives from the San Fernando, Southwest and Southeast Cities Credit Women's Breakfast Clubs were present along with other guests. The meeting consisted of a panel made up of four women who are members of the Credit Women's Breakfast Club of Los Angeles and they discussed "The Woman's Approach to Credit Management." Panel members were: Jeanne Barmore, *Los Angeles Times*; Mrs. Garnette Jones, J. W. Robinson Co.; Mrs. Frances Ashley, Past President, Miami Credit Women's Breakfast Club; and Mrs. Lillian Reynolds, Bullock's. They have all had many years' experience in the credit field and presented their views in an interesting manner.

Charge-Offs Low in Lincoln, Nebraska, Bank

Since November 1, 1945, when the Instalment Loan Department of the National Bank of Commerce, Lincoln, Nebraska, opened for business, the total amount of credit extended was \$11,110,000 on 25,000 loans. About half of the loans were on a "secured" basis. Losses for the entire eight-year period amounted to only \$8,150.00, which is .00073 per cent, or seventy-three ten-thousandths of one per cent. Marshall D. Hewitt, Vice President, considers that the liberal use of reports furnished by the Credit Bureau of Lincoln was a major factor in keeping charge-offs at this almost unbelievably low minimum.

Positions Wanted

Credit executive desires to make a change. Will consider bank, finance or retail business. Experienced in all phases of credit, office management and personnel relations. Excellent references. Will locate anywhere. Box 4542, The CREDIT WORLD.

Credit Manager. Twenty years' consumer credit experience, ten in retail credits. Employed for past five years with one of the South's largest department stores as Assistant Credit Manager specializing in collections. Prefers the South but will consider other sections of the country. Box 4543, The CREDIT WORLD.

Wanted to Buy

One No. 3000 National Cycle Billing Machine with Typewriter. C. H. Lay, Credit Manager, Lovemans, 800 Market Street, Chattanooga 2, Tenn.

Credit Bureau, preferably Northwest. In reply give population, trade area and pertinent information. Can pay mostly cash. Box 4541, The CREDIT WORLD.

CREDIT DEPARTMENT

Letters

LEONARD BERRY

THE ABILITY to write effective letters is a most important and essential part of successful credit management. The credit executive, and the members of his staff, probably come into contact with more of the firm's actual and potential customers than does any other single division of the organization. And the majority of those contacts are made by letter.

Whether those letters be collection, credit sales promotion, adjustment, or concerning any phase of customer relationship, they have an impact on the firm's total public relations that would be almost impossible to overestimate. What the readers of those letters *think* of the firm generally depends to a considerable extent on the ability of the writer to infuse in his letters a warm, friendly and cooperative tone.

Books and articles on letter writing almost invariably place stress on the necessity for brevity or conciseness. Readers, they say, have only just so much time and will not bother to read a long letter. This is sound counsel, provided, however, that the brevity is not carried to the point of abruptness or curtness.

Many credit department letters we have reviewed could be greatly improved by the liberal cutting of excess words. On the other hand, there are many that would be vastly more productive of customer good will by the addition of expressions of appreciation and consideration.

It must be remembered that every business letter should accomplish two equally vital purposes. It must *tell* the message and it must also *sell* the store. The good will of its customers is the most precious asset any firm can acquire. It is definitely worth careful cultivation.

Good credit department letters come when they are written from a *service* viewpoint. They use appeals that suggest benefits to the reader. They radiate friendship and reasonableness. Poor credit department letters are written from the selfish "we" viewpoint. They use appeals that suggest benefits to the writer. Often such letters are so cold and curt that they are like a sharp slap on the face.

Store principals are well aware of the power of good letters in developing and preserving customer liking and approval. That is why skill in letter writing is placed high on the list of qualifications for executive credit management. It should be the purpose of all credit personnel to become practiced in the art of persuasive communication.

Even in collection work there are ways of asking for payment that get results without loss of good will. Each collection reminder can be productive of friendly acceptance or it can rub the reader the wrong way and create resentment and obstinate delay. Credit sales promotion letters can bring satisfactory results in enrolling new cus-

tomers for the store or they can end up in the waste basket. Adjustment letters can be convincing and placating or irritating and embarrassing. It all depends on the *attitudes* of the person writing and his *skill* in saying the right thing in the right way at the right time.

This Month's Illustrations

All illustrations this month are from the city of San Francisco, California. We appreciate the cooperation of members in submitting these fine examples of credit department letters and forms.

Illustration No. 1. Some experienced credit granters believe the new account acceptance letter should be signed by the President of the firm. There is no doubt but that this procedure does give the letter importance and prestige. Personally, however, I am of the opinion the letter should be signed by the Manager of Credit Sales for the reason that his name thus becomes known to the customer, who then knows to whom she can go for expert guidance and counsel on credit and collection matters.

Illustration No. 2. The recurring problem of the partial payment! In this letter the terms of the store—60 days—are emphasized but the suggestion offered that if full payment is impossible the store will be cooperative in making other arrangements.

Illustration No. 3. The practice of using printed collection reminders for the early stages of past-dueness is a growing one. Here is an example of such. The advantages include ease and economy of fill-in and mailing as well as giving the impression of "impersonality."

Illustrations Nos. 4 and 5. Here are two examples of new account acceptances in printed or engraved form. Again this procedure offers definite advantages in conferring dignity and formality on the important occasion of a customer's new credit relationship with the firm. Usually, printed or engraved acceptances are enclosed in a hand-written and hand-stamped envelope to give the communication even greater impressiveness.

We want to make this CREDIT WORLD feature helpful to all our members. To accomplish this we need full cooperation. This month a specific appeal is made to credit granters in the HOSPITAL, MEDICAL AND DENTAL fields to send us copies of their letters and forms. Also we would welcome short statements concerning office management and collection procedures on which we can comment for the benefit of others. Please contribute your ideas so we can increase the effectiveness of this page.



Furs • Coats • Suits
Millinery • Accessories
Sportswear

April 15, 1954

①

Mrs. John C. Customer
000 Main Street
San Francisco, California

Dear Mrs. Customer

We acknowledge with pleasure the opportunity to number you among our friends.

Your new charge account is good in any of our stores and we trust that you will frequently enjoy the convenience it affords. At any time you may wish to buy furs or other expensive garments for which it might be inconvenient to pay in thirty days, we will be happy to arrange a 90-day charge, or a budget account that will meet your convenience.

I wish personally to thank you for your courtesy in shopping at our store and assure you that our entire staff is at your service and anxious to help you in every way possible.

Sincerely yours,

Selen Harris Benioff

President

230 First Street San Francisco

RANSCHOFFS

April 15, 1954

②

Mrs. John C. Customer
000 Main Street
San Francisco, California

Dear Mrs. Customer:

Thank you for your recent payment of \$10.00 which has been credited to your account.

We appreciate your efforts to reduce the balance in this manner, however, according to our terms, payment in full is due within sixty days from date of purchase.

If there is some good reason why payment in full cannot be made now, we shall appreciate hearing from you, so definite and satisfactory arrangements may be made.

May we please hear from you in the next few days.

Amount due: \$90.00

Very truly yours,

RANSCHOFFS

H. F. Cadd
Credit Manager

established 1910
as furrier
established 1910
as furrier
established 1910
as furrier
established 1910
as furrier

Lieber

GRANT AVENUE AT GRANT • GARFIELD 1-6242

③

For many years it has been our policy to expect payment in full within thirty days of rendering a statement of purchases.

The items listed below are now past due.

We shall understand that additional purchases will not be added to your account until the overdue portion has been paid.

Amount

Owing for

④

Thank you very much for opening a charge account with us. We welcome you as one of our charge customer friends and invite you to enjoy the convenience of your account.

Please call on us at any time that we may be able to assist you in your home furnishing needs for we shall be happy to serve you.

W. J. Steane

New York Washington San Francisco Beverly Hills
Newport White Plains Montreal

⑤

The White House
Raphael Weill & Company
welcomes, with great pride and pleasure
the opportunity of serving you
through the charge account
which has just been opened in your name

THE WHITE HOUSE
RAPHAEL WEILL & COMPANY
ENTERED 1911, GRANT AVENUE
SAN FRANCISCO

CREDIT FLASHES

Newark, Ohio

At the organizational meeting of the Credit Managers Association, Newark, Ohio, the following officers and directors were elected: President, James E. Art, Newark Merchants Credit Association; Secretary, Mrs. Ruth Roby, Airesman Electric Co.; and Treasurer, Virginia Oxley, Roe Emerson Store. Directors: M. L. Mans, John J. Carroll Store; John Boesch, Best Jewelry Co.; L. W. Robinson, Sears, Roebuck & Co.; and Harry Imboden, Newark Retail Merchants Council.

New National Unit at Harlingen, Texas

On February 8, 1954, 56 persons met for a dinner meeting at the Reece-Wilmond Hotel, Harlingen, Texas, to organize the Retail Credit Executives of Harlingen. Mrs. Floy Mayfield and Briscoe Wilder arranged the meeting with the assistance of W. W. Leeper, temporary chairman, Alf Anderson, chairman of the nominating committee, Briscoe Wilder, chairman of the Constitution and Bylaws committee, and Mrs. Georgia Briscoe, chairman of the meeting agenda committee.

The group voted to organize a permanent organization, adopt a Constitution and Bylaws and elect officers and directors. Those elected were: President, C. R. Julian, Harlingen Lumber Company; Vice President, Joan Teege, Dr. Wharram's office; Secretary, Briscoe Wilder, The Credit Bureau; and Treasurer, Floy H. Mayfield, Easterling and Van Tyne Pontiac. Directors: Jack Jones, First National Bank; F. L. Paschall, Paschall's; Mrs. Otto Schvab, Schvab's Jewelry; Alf Anderson, Anderson Furniture; and W. W. Leeper, Valley Ready Mix Concrete Co.

This is the second credit executives' unit to be organized in the Rio Grande Valley section of Texas, the first being in Brownsville. It is to be 100 per cent State and National membership and it appears that there will be a membership of 60 to 70. R. R. Thomas, President, District 8, National Retail Credit Association, and J. E. R. Chilton, Jr., Secretary-Treasurer of the District assisted in the creation of this new unit.

Shown below is a picture taken at the organizational meeting. Shown, left to right, front row, are: Mrs. Joan Teege; C. R. Julian; Mrs. Floy Mayfield; and Mrs. Otto Schvab. Standing are: J. E. R. Chilton, Jr.; Alf Anderson; Briscoe Wilder; W. W. Leeper; R. R. Thomas; and F. L. Paschall.



Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont and Quebec, New Brunswick, Nova Scotia and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Massachusetts, May 16, 17, and 18, 1954.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin and Manitoba, Canada) will hold its annual meeting at the St. Paul Hotel, St. Paul, Minnesota, May 9, 10, and 11, 1954.

District Eight (Texas) will hold its annual meeting in Dallas, Texas, May 24, 25, and 26, 1954.

District Nine (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Cosmopolitan Hotel, Denver, Colorado, April 25, 26, and 27, 1954.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) and **District Eleven** (Arizona, California, Nevada and Hawaii) will hold a joint annual meeting in conjunction with the 40th Annual International Consumer Credit Conference of the National Retail Credit Association, The Fairmont Hotel and The Mark Hopkins Hotel, San Francisco, California, July 19, 20, 21, and 22, 1954.

C. L. E. Edwards

C. L. E. Edwards, Topeka, Kansas, died recently after an extended illness. He had been with Crosby Brothers for 38 years, before his resignation last December, first as credit manager and then as secretary-treasurer, and director of the firm. A native of Kansas City, Mo., he was widely known in business circles and a well-known breeder of registered Holstein cattle. He was active in civic affairs of the city and a member of many clubs and organizations. He joined the National Retail Credit Association in 1918 and was an Honorary Life member of the association. He is survived by his wife, one son, two sisters, two brothers, and two grandchildren to whom we extend our deepest sympathy.

W. John McConnell to Retire

W. John McConnell, 74, Credit Manager-Secretary, and a director of the Stone Shoe Store, Cleveland, Ohio, has decided to retire this summer. April 1, 1954 marked his 50th year in credit work. A native of Pennsylvania, Mr. McConnell came to Cleveland in 1901. He was employed at the Phillipsborn Women's Wear Co., from 1904 to 1910, and then with the Siegel Co., until he went with the Stone Co. He has been credit manager at Stone's since 1937. He is the last active credit man who signed the incorporation papers in 1905 for what is now the Credit Bureau of Cleveland. He now becomes a life member in the National Retail Credit Association. We wish him many years of happiness in his well-deserved retirement.

Districts 5 and 13 Merge

Districts 5 and 13 were merged into one district and from now on will be known as District 5. This action was taken at the annual conference of Districts 5 and 13 held in Chicago, Ill., February 21-23, 1954. Originally, the states of Kentucky, Ohio, Michigan, the Province of Ontario, Wisconsin, Illinois and Indiana, comprised District 5. Subsequently Wisconsin, Illinois, and Indiana requested approval to form a district of their own, which became District 13. With the exception of 1941, both districts have always met in joint session. To arrange these meetings, plan their programs, and to show the courtesy to each district by alternating the sites of conferences, it was necessary that much planning be done. This work was cleared through two sets of officers and two boards of directors, often resulting in expense, delay and confusion.

District 13 has been one of the smaller districts in membership though very active. District 5 had a larger membership but added to those members from District 13, and their treasury enriched with the income from the district, it should become a greater power and force in the structure of the N.R.C.A. Future meetings and activities can be cleared by one board of directors. This move in no way affects the structure of the Credit Women's Breakfast Clubs as their Districts 5 and 13 will continue to exist and the immediate past presidents of each district will become members of the district board of directors.

At the Evansville, Ind., conference last year, District 13 voted to invite District 5 to unite with them so that the dream of a new and stronger district composed of that area in the central part of the continent may form a district that will be second to none. They are now on the threshold of that dream.—Lewis B. Skinner, *Credit Manager*, Wm. H. Roberts & Sons, Indianapolis, Ind.

Winnipeg, Canada, Holds Credit School

The first credit school held in Canada sponsored by the National Retail Credit Association and conducted by Sterling S. Speake, was held in Winnipeg, Manitoba, January 18-21, 1954. The 65 students, all of whom obtained their diplomas, were most enthusiastic about the lecturer and the material covered. The diplomas were presented by President Grant Murray at the annual meeting of The Credit Granters Association of Winnipeg in February. Other Canadian cities look forward to the arrival of Mr. Speake. He enjoyed himself during his four-day stay in Winnipeg, especially after the second day when one of the members of the class loaned him a winter overcoat to wear during the balance of the week. His Texas topcoat was no match for the 30-below weather we encountered in Winnipeg.

Position Wanted

Competent and efficient Credit Manager desires to make change. Age mid-40's, 25 years' experience in three large volume high grade stores. Good appearance and pleasant personality. Excellent references. Box 4544, The CREDIT WORLD.

"Tradition"

(Beginning on page 8.)

formation it houses but for the furtherance of all their interests. Bureau management and credit management have only one final aim, after all. We are all dependent upon its achievement, and that is, profitable credit extension. If we can reach that and at the same time promote and preserve personal friendships, social contacts and good business practices, everybody gains.

We do think, though, that we are fortunate in San Francisco in having, to an unusual degree, harmony within our ranks, good feeling among all of us and a sincere desire to present a united front in working earnestly for our common good. See if you don't find this attitude among all of our men and women in the Associated Retail Credit Men of San Francisco and in our Bureau staff when you come to visit us next July! ★★★

C. R. M. Gale

C. R. M. Gale, 68, for many years a prominent business executive in Vancouver, B. C., Canada, died January 3, 1954. He was Credit Manager, David Spencer, Ltd., for 20 years and was largely responsible for the formation of the Vancouver Retail Credit Grantors Association. He was the only man to hold the office of president of the Association for three terms, 1931, 1933 and 1942. He was a resident of Vancouver for 23 years and was made Honorary Vice President and Patriarch of the Association when retired from active Presidency, a title which no one else could hold during his lifetime, according to the bylaws of the organization. Mr. Gale was born in England and educated in that country. He served in World War I and was wounded during the battle of the Somme. He is survived by his wife, two brothers, and three sisters. He will be greatly missed by the members of the Vancouver Retail Credit Grantors Association.

Mortimer G. Liberman

Mortimer G. Liberman, former manager of the Merchants Credit Association, Memphis, Tenn., died February 11, 1954, in San Antonio, Texas. Mr. Liberman, 88, was born in New Orleans, La., and moved to Memphis as a child. He organized the credit bureau in 1904. A member of the National Retail Credit Association for many years, he was an honorary life member of the Association. He is survived by two daughters to whom we extend our deepest sympathy.

E. S. Eddins

E. S. Eddins, 76, Manager, Credit Bureau of Memphis, Memphis, Tenn., died January 17, 1954. He joined the bureau on June 1, 1910 and would have completed 44 years of service on June 1 of this year. Our sympathy is extended to his wife and four children who survive him.

Gus Cohn

Gus Cohn, for many years, Credit Manager, Linz Brothers, Dallas, Texas, died March 1, 1954. He was one of the charter members and past president of the Dallas Retail Credit Managers' Association. A member of the National Retail Credit Association since 1917, he was an honorary life member of the Association.



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Legislative Committee Meeting: The Legislative Committee of the N.R.C.A. met in an all-day session at the Statler Hotel, Washington, D. C., March 3, 1954. In the absence of Chairman Clarence E. Wolfinger, Lit Bros., Philadelphia, Joseph A. White, Harris Bros., Pittsburgh, acted as Chairman. The Committee was honored by the attendance of President Henry C. Alexander, Belk Bros., Charlotte, N. C., Frank P. Scott, formerly credit manager of Woodward & Lothrop, an Honorary Life Member of N.R.C.A., and Abe Coonan, Hahn Shoe Store, Washington, D. C. Other members in attendance were John K. Althaus, C. F. Roycroft, R. M. Severa and J. P. Stedehouder.

The Curtis Garnishment Bill: Provisions and present status of H.R. 3602 were reviewed. Prospects of Congressional action and questions bearing upon the best way to secure favorable action on this important legislation received major consideration. The bill is patterned after the Kefauver bill, since the present proposal follows closely the pattern of the bill which the Senator, when he was a Representative, introduced and successfully steered through the House by a vote of 158 to 114 in the last session of the 78th Congress. The bill then died for failure of action in the Senate. Perhaps the story would have been different if the bill had had an active sponsor in the Senate comparable to the advocacy of then Congressman Kefauver in the House. That situation today is precisely what does exist. Senator Kefauver has promised his continuing active interest in, and support of, the bill when it reaches the Upper Chamber. This not only ensures an active and able proponent on each side of the Hill, but a complete nonpartisan position which, of

course, is as it should be, since this bill is designed to serve the entire business and consumer community.

Federal Employee Tax Developments: As pointed out in previous items (CREDIT WORLD December, 1953, p. 16) a problem quite parallel to the need for garnishment of federal employees, and equally requiring plugging up, has been that of the failure of the government to handle adequately its own employees who have not paid their income or other taxes. Now the Administration tax proposal is out of Committee and before the House. It includes a provision designed to plug this loophole. It provides for an assessment and a levy which follows closely the existing provisions known as warrant of distraint, applicable to any individual who is not a federal employee. The inclusion of this section in the final measure would be a precedent for passage of the garnishment bill, since both measures are designed to accomplish an identical purpose, placing federal employees on precisely the same basis as their nonfederal fellow citizens. There appears to be no doubt that the inequity in both cases should be eliminated.

Wage-Earner Provisions of the Bankruptcy Act: The Wage-Earner provisions of Chapter 13 were discussed with particular reference to the favorable experience at Birmingham, Alabama, and to a lesser extent in one or two other cities. The question as to why the provisions have not been more widely used was the principal subject covered. Two resolutions were adopted, one again recommending an increase of the statutory salary limitation from \$5,000 to \$7,500, and the other recommended that referees in bankruptcy be encouraged to utilize more

(Turn to "Items of Interest," page 27.)

United States Postal Money Order 2-

MAY BE CASHED AT ANY POST OFFICE
COLLECTIBLE THROUGH ANY FEDERAL RESERVE BANK

NOT GOOD FOR MORE THAN
LARGEST AMOUNT CHECKED

\$ 5 10 25 50 75 100

PAY _____ DOLLARS _____ CENTS

TO _____

PURCHASER _____

ISSUING OFFICE _____

PURCHASER—PLEASE WRITE YOUR ADDRESS HERE

C.O.D. _____

PARCEL NUMBER _____

DO NOT FOLD, STAPLE, SPINDLE OR MUTILATE

15-119
000

DOLLARS

CENTS

United States
Postal Money
Order

PURCHASER'S RECEIPT

DETACH AND HOLD

SEE INSTRUCTIONS ON REVERSE SIDE

ISSUING OFFICE

2

ALTERNATION OF ERASURE REMOVES THIS ORDER VOID IDENTIFICATION REQUIRED

VOID

STAMP



Banking and Finance

QUESTION

What has been your experience with credit life insurance?

ANSWERS

L. A. Brumbaugh, Valley National Bank, Phoenix, Arizona: Credit life insurance plays a vital role in our bank. For a score of years, through our Instalment Loan Department, we have offered it to our customers. Originally, it was given only to personal loan borrowers and all costs were borne by the bank. The outbreak of World War II brought many aviation cadets to this area for training. Upon graduation and commission as officers, they sought and obtained loans of \$300.00 from us. The insurance company was unwilling to extend coverage on these loans. We then terminated our agreement with the company and self-insured all our personal loans with complete satisfaction to all concerned. The self-insurance plan remained in effect until about a year ago. Credit life insurance had then gained such general acceptance that we desired to make it available to all our customers. Since it seemed obvious that the bank could not bear the cost of such insurance, we sought and found an insurance company which, at reasonable cost to the customer, would offer him protection up to \$5,000.00. In connection with some loans, the coverage is mandatory. On others, it is optional. Our customers have readily accepted it. Claims have been paid promptly and all concerned are pleased. Credit life insurance has proved its worth and is a fixed service in our bank.

W. W. Free, The Bank of Ohio, Cleveland, Ohio: Our experience has been excellent. We have been insuring our customers' loans on a voluntary basis for approximately 24 years. During that time the insured loan volume amounted to more than \$61,000,000.00 with losses paid amounting to \$211,540.00. The number of loans insured was 167,736, of which 746 were paid by the insurance company. We think that the insurance feature is a good will builder and with the many requests on the part of our customers for coverage we could not afford to be without it.

O. W. Frieberg, American Trust Company, San Francisco, California: The promptness of payment of instalments on personal loans depends on the certainty of the income out of which the payments are made. In small business loans, the income of the business depends on the presence of the owner-manager in the business. The possibility of sudden cessation of income resulting from the death of the borrower is a weakness in otherwise sound credits. Even where there may be

sufficient assets to repay the loan, collection from the estate of the decedent involves delays. Collection may be difficult from guarantors or co-makers on the note of the deceased person, and entail collection expense. For these reasons, as well as the benefits derived by the borrowers, their dependents and their co-makers or guarantors, the bank carries a master policy for life insurance coverage on all insurable personal loan and business loan borrowers paying instalments. Personal loan borrowers in good health, under age 66 and not employed in highly hazardous occupations, are automatically insured up to \$3,000. On loans over that figure prior approval is required for the coverage. The cost of insurance is borne by the bank up to \$5,000 and by the borrower on the excess over \$5,000. The policy covers insurable borrowers of other classes of loans when request is made for this coverage. Our policy has been carried by the same insurance company for 25 years in substantial volume. The experience has been favorable, so the policy for some time has been on a participating basis with substantial reduction in cost through dividends. Loan life insurance is highly favored by borrowers who regard it as a valuable feature of the loan service. It makes them "insurance conscious" in protecting dependents from indebtedness. The return of the note to dependents of the borrower upon death has resulted in favorable comment and appreciation by the survivor of the borrower or co-makers, where they may have been required. Recently, too, as an optional feature of automobile purchase financing, loan life insurance has been made available at the cost to the purchaser and included in the monthly payment. This coverage may also be obtained through dealers discounting their paper with the bank.

Cyril J. Jedlicka, City National Bank & Trust Company, Kansas City, Missouri: While credit life insurance has been available for a number of years, it is only within the last few years that it has grown to its present popularity. At present it is offered by practically all progressive banks and lenders, and sales have grown to well over eight billion dollars per year. Credit life insurance is a valuable service both to the individual borrower as well as to the lending institution and makes credit more readily available to the average man. The cost to the borrower is small and much cheaper than he can obtain individual insurance. There is no more economical form of insurance; he buys to the penny exactly the amount of insurance he needs for exactly the time he needs it, and the small premium is included in his monthly payments. Some borrowers laugh off the suggestion of credit life insurance with the statement they already have plenty of insurance. Few individuals have sufficient insurance at today's price levels to do an adequate job and

even if they do, their insurance was purchased with the idea of caring for their wife and family and should not be dissipated in paying up debts. Banks are traditionally service institutions, and credit life insurance offers another opportunity to render a constructive service to its customers. Certainly it is always a thrill to be able to surrender a cancelled note paid off by this insurance, to the widow and family who frequently know nothing of the debt and to whom payment would represent some hardship. Credit life insurance adds considerably to the desirability and safety of the loan portfolio and the commissions or dividends can be a substantial contribution to the bank's profits. Our bank is a great believer in the credit life insurance program, and we believe that over the years, this service can be a potent factor in our public relations program. A large percentage of our borrowers are eager for the protection when it is properly explained to them, and we heartily recommend its use on an optional basis.

R. W. Schilling, The Bank of Georgia, Atlanta, Georgia: We are completely sold on credit life insurance. We were one of the first banks in the South to inaugurate this service and over a period of many years our customers' reaction has been favorable to this service which is offered them with their consumer credit borrowing. We consider credit life insurance a part of modern consumer instalment lending. The borrower feels a sense of security in assuming an obligation based on future earnings knowing that his family will be protected in event of his death. Also, his family has a feeling of security in the event of the loss of their wage earner. We estimate that over 70 per cent of consumer credit borrowers request that their loan be protected with life insurance, and easily an additional 20 per cent will take it if they are asked to take this additional protection. It is one of our best good will builders when a widow is presented with a "paid in full" note relieving her of any responsibility in regard to her husband's bank obligations.

Keene W. Wolfe, Michigan National Bank, Battle Creek, Michigan: We have been using credit life insurance in connection with our instalment loans since 1942. Our primary objective at first was to protect endorsers, co-makers and the bank on unsecured notes. January 1, 1953 we put into effect the combination of sickness and accident insurance with life. We advertised that all loans made through our bank are covered with this protection. In the event a customer did not wish to insure, we asked him to sign a waiver. Customers have accepted the sickness, accident and life protection with enthusiasm. If one could have the experience of giving the wife of a deceased borrower his note, paid in full, the satisfaction derived from one such experience would more than compensate for the expense of installing this protection for your customers.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

Building Materials

QUESTION

How frequently should accounts receivable be aged, and how often should accounts be charged to Profit and Loss? What procedure is followed in the recovery of a Profit and Loss account?

ANSWERS

Dorothe Bolte, Lyons Brothers Lumber & Fuel Co., Joliet, Illinois: The ideal would be to age accounts receivable every 30 days but being cognizant of the personnel in most offices today it becomes necessary to set up a schedule that is flexible. A quarterly analysis proves most helpful in our collection routine, particularly on fuel accounts. The routine of Profit and Loss charge-offs is dependent in most instances on the credit and collection policy and is also somewhat governed by the accounting system employed. We charge off only at the end of our fiscal year, but a strict rule of performance on the part of the account in the previous 90 days plays a major role. Being tax conscious, it is wiser to assume the doubtful or borderline cases justify a charge-off and should recovery be made shortly after the charge-off it can always be reported in the ensuing year. The objection to this method is the unfair percentage reflected in collections in the current year. Because of the method we use in charging off accounts, the accounts remain in our current ledgers and receive the same concerted collection effort as we expend in collecting currently past-due accounts. Over a period of years, we found that when they were removed from the current ledgers, the tendency was to work on them only when everything else was taken care of, and oftentimes that was never. We distinguish these accounts from regular accounts by a diagonal ruling. In addition to preventing laxity on our part in collection effort, it is simpler to locate the account when the customer comes in to pay, and the possibility of the customer realizing that his account is carried as a charge-off with the resultant psychological attitude that we did not expect to be paid and therefore he feels no responsibility toward paying is avoided.

B. F. Collins, Warners, Minneapolis, Minnesota: We have never made it a practice to age our accounts. Some stores age their accounts every month, but believe I would not age them more than once every three months as this would give the credit department plenty of time to step up credit procedures if too much of the outstanding balance was dropping into the three, six, or nine months' group before serious losses would be taken on the entire outstanding balance. As we set up a reserve of bad debt losses based on a certain percentage of our sales each month, it does not make much difference when we charge off and as a result we have never set up any definite period for the Profit and Loss write-off. Usually we do this when the account appears to be an imminent loss or when it becomes six months to a year old with no payments shown. Otherwise the write-offs are all done at the end of our fiscal year. The procedure in the recovery of Profit and Loss accounts is no different from the procedure followed before the accounts are charged off. First a series of notices, then personal con-

tacts or letters, and third, turning the accounts over to a collection agency or attorney if all of the efforts of the collection department have failed.

J. M. Dean, Building Material Dealers' Credit Association: You must always be in a position to know the full condition of all your accounts receivable. This cannot be accomplished unless you correctly age your accounts each month. You should maintain a monthly aging and comparison report of all accounts receivable as to number and amounts. This is the only way that a credit manager can properly analyze his accounts receivable and watch his progress. With the present rules covering income tax, it is clear that every account should be charged to Profit and Loss just as soon as it is known to be a loss. You can always continue to follow the charged-off accounts through your own follow-up or a collection agency. At least once each year Profit and Loss accounts should be audited.

Harold A. Lambert, Burton Lumber and Hardware Company, Salt Lake City, Utah: It is advisable to age accounts every month. The larger firms especially, with numerous yards throughout the territory, find this an advantageous practice. Collection efforts are not neglected when the true picture is before them. Lien rights are not lost when the account is properly watched. It is good accounting to charge to Profit and Loss during the year as the account proves itself uncollectible. Business concerns generally charge the bad ones to Profit and Loss once a year or at the end of the fiscal year. The most general procedure to recover Profit and Loss accounts is to apply the experience of a good collection agency.

Dairy and Baking

QUESTION

What has been the experience in extending credit to service personnel where they have been moving around and have not established credit references on which a credit report can be obtained?

ANSWERS

Wilson C. Fox, The Babcock Dairy Co., Toledo, Ohio: We have had no experience in extending credit to service personnel. However, this question was brought up at our group meeting at the district meeting in Chicago. It seems that some of the experiences of other credit granters have been unfavorable. However, I know of a dairy in a Southern state that has had a favorable experience. The first year they started retail routes they gave credit only to officer personnel and master sergeants. The experience was so satisfactory that they extended credit safely to other personnel. They are now serving about 2,500 members of the Air Force, about half of these being enlisted personnel including airmen first, second, and third class. This dairy reports that almost all of them have monthly accounts. The specially designed credit application card they use shows the necessary information to make it possible to trace transferred personnel to new locations.

Write for Low-Cost Test-Plan! Compare!

27th success-year with Hecht's; Foley's; Jordan Marsh; May Co.; and other top stores, large and small.

For ace Akron store, our unique mdse.-fashion approach opened

11,000 NEW CHARGE ACCTS.

for **50¢** each

3000 New Accts. opened for Goerke's, N. J. bought during the first year alone **\$301,000**

WE REVIVE 50% to 70% INACTIVES

3725 (50%) Inactives in famed Texas store bought within six months, at 1/2 cost **\$241,000**

LESTER **brozman** COMPANY
160 FIFTH AVENUE, N. Y. C. 10

Joseph A. Gilson, The Polk Sanitary Milk Co., Indianapolis, Indiana: We have two retail routes on which about 80 per cent of the customers are service personnel. In the past two years our sales for route No. 37 serving Camp Atterbury were about \$48,000.00, serving about 212 service personnel. For the same period our route No. 104 serving Fort Benjamin Harrison sold about \$14,000.00, serving about 120 service personnel. Our loss for these two routes the past two years was \$730.00, about one and one-sixth per cent of our sales. Our loss has been so slight for the past few years on service personnel around the camps and throughout the city that we have never been alarmed about their moving around and the fact that we were unable to secure credit references. We have felt that the amount of business lost and the additional expense incurred while securing references was not justifiable due to our small losses.

Walter Menzenwerth, St. Louis Dairy Company, St. Louis, Missouri: If a consumer connected with the United States military service develops a financial problem with his milk account and is reluctant to cooperate with our request for improvement, the matter is referred to his commanding officer. The serviceman is contacted by the proper officer and cooperation is soon established for the benefit of all concerned. The important tool of control is to obtain the serviceman's serial number at the time credit is requested. Transferees can be located by the serial number. Our experience has been very satisfactory.

Harry N. Taylor, Beatrice Foods Company, Tulsa, Oklahoma: The extension of credit to service personnel or their families creates a problem which makes it difficult to set up any type pattern or outline to follow; each application for credit must be given special attention. At the time credit is asked for, we obtain from the prospective customer two close relatives' names and their mailing addresses, regardless of where the relatives may reside, and these references are used if they have to be. Our experience has been good in locating the ones who do move away through the names obtained, and we have found that the number to move away has decreased since we started this practice.

Important Announcement Concerning
1954 Retail Credit Institutes

**Outstanding Educational Opportunities for All Who Wish to Advance
in Retail Credit Work**

✧ ✧ ✧

AT THE UNIVERSITY OF OKLAHOMA, NORMAN, OKLAHOMA

July 12 to 16, 1954

Retail Credit Fundamentals (First Year) and Retail Credit Management (Second Year)

✧ ✧ ✧

AT THE UNIVERSITY OF ILLINOIS, URBANA, ILLINOIS

August 16 to 20, 1954

Retail Credit Fundamentals (First Year)

✧ ✧ ✧

Because of the success of the first Retail Credit Institute conducted by the National Retail Credit Association at the University of Oklahoma last year, arrangements have been made with the University of Illinois to offer a similar Institute there this year. At the University of Illinois we shall present *Retail Credit Fundamentals* only, this year. At the University of Oklahoma, *Retail Credit Fundamentals* and *Retail Credit Management* will be offered.

First-year students are thus given a choice of two geographically convenient locations. Students who completed the course at the University of Oklahoma last year and others who wish to take the advanced course will attend the Institute at the University of Oklahoma.

These Courses Open to All Interested in Retail Credit Administration.

Cost \$25.00 Per Student. Includes Tuition—Textbooks—Materials.

Five lecture periods each day—Monday through Friday. Three evening discussion forums.

Examination optional.

Excellent modest-priced living accommodations and meals available.

Decide to Attend One of These Retail Credit Institutes—Send Now for Detailed Brochure.

Those interested in the University of Oklahoma Institute should write to: John Freeman, Extension Division, University of Oklahoma, Norman, Oklahoma.

Those interested in the University of Illinois Institute should write to: Norman Johnson, Division of Extension, University of Illinois, Urbana, Illinois.

NATIONAL RETAIL CREDIT ASSOCIATION

"Items of Interest"

(Beginning on page 22.)

fully the Wage-Earner provisions of Chapter 13. It was further recommended that all means available for disseminating statistical information showing the favorable results of these provisions where used be publicized to the fullest extent possible both to referees, district judges, credit granters, and the general public.

Postal Money Order Form: The Legislative Committee was honored at its luncheon meeting by the presence of Messrs. Lucas Leighton, Executive Director of the Bureau of Finance, and Harry E. Stine, Head of the Money Order Division, of the Post Office Department. These gentlemen presented a most enlightening discussion of the efforts of the Department to improve the money order operations, including the point which N.R.C.A. has stressed for some time, the question of re-instituting the practice of including the address of the remitter, as he was formerly called. It was pointed out that it was impractical and against economy for Postmasters to write in the address at the time of issuance, considering the tremendous volume of over 375 million money orders per annum. A new money order form, shown on page 22, is just now being put into use which provides a line below the name of the "purchaser," as he is now more realistically called, with directions under that line, "purchaser—please write your address here." It was explained that with proper publicity and gradual education of the public, particularly the consumer public, it was felt that purchasers of money orders would be induced, in their own self-interest of securing quick and proper credit for money order remittances, to write their address on money orders purchased before mailing or delivering them to addressee. Mr. Stine stated that in addition to instructions in a bulletin to Postmasters, the Department will include in money order application forms, a suggestion that address be shown in space provided, in order to ensure receiving proper credit.

The Parcel Post Package: Luncheon guests also included Rowland Jones, Executive Director of American Retail Foundation, and Paul L. Selby, National Consumer Finance Association. At the beginning of the afternoon session, Mr. Jones outlined rather fully the problem of the importance of eliminating recent legislation affecting the size and weight of parcel post packages. (See CREDIT WORLD, February, p. 29.)

"Items of Interest From the Nation's Capital": The question of the improvement of this page so as to be of greatest possible service to members of N.R.C.A. was discussed, and the sense of the meeting was that shorter items involving particular practical credit problems would be desirable. It was suggested that sending in particular problems or questions to the Washington representative would aid in this endeavor. ***

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

WOOD'S RMAS*

The Friendly Personal

Door-to-Door

Solicitation Service

OFFERS YOU:

▶ A controlled number of new charge customers DAILY-WEEKLY-MONTHLY.

▶ A controlled number of new charge customers at a controlled cost.

▶ A controlled number of new charge customers from pre-selected areas.

▶ Daily reports on causes of customer satisfaction or dissatisfaction.

▶ A permanent, economical, practical program for continually increasing charge sales.

**25 New Charge Customers
A Day Means \$625,000
A Year In Sales Volume**



A. J. WOOD & COMPANY

1518 Walnut Street, Philadelphia 2, Pa.

*The Research Method of Account Solicitation

Comparative Collection Percentages

February 1954 vs. February 1953

DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES						
	1954			1953			1954			1953			1954			1953			1954			1953			
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	
Boston, Mass.*	39.5	42.4	35.0	39.3	44.6	36.2	16.2	30.9	7.8	16.4	28.0	9.1	—	—	—	—	—	—	—	—	—	—	—	—	
Portland, Me.	51.8	53.4	50.0	50.9	53.6	49.8	—	14.9	—	—	14.7	—	—	47.0	—	—	37.0	—	—	42.0	—	—	41.0	—	
1 Providence, R. I.	46.4	50.5	42.0	47.2	52.8	42.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Springfield, Mass.	58.9	61.7	56.2	57.6	61.4	53.9	22.1	24.8	19.4	24.5	25.6	23.4	—	59.0	—	—	59.2	—	—	49.0	—	—	50.9	—	
Worcester, Mass.	—	45.3	—	—	44.3	—	—	9.7	—	—	13.4	—	54.3	55.0	53.6	52.9	55.0	50.9	—	—	—	—	—	—	
2 New York, N. Y.	48.9	51.6	41.1	46.3	50.3	41.3	16.3	19.5	13.0	17.4	19.7	15.1	43.3	47.2	38.6	42.4	45.0	34.0	48.0	48.9	47.2	47.4	49.3	45.6	
3 Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
4 Birmingham, Ala.	38.4	45.3	34.3	42.3	55.9	36.0	16.4	20.6	13.4	16.8	19.8	14.0	37.3	43.7	31.8	36.9	40.0	34.6	48.5	49.8	47.6	46.9	47.3	45.0	
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cincinnati, Ohio	52.9	57.2	47.5	53.4	56.4	48.6	14.7	21.6	10.8	15.4	20.4	11.8	60.3	69.0	51.7	57.7	61.0	54.5	—	—	—	—	—	—	
Cleveland, Ohio	42.3	51.1	40.5	42.6	50.0	36.8	19.9	22.6	15.6	18.2	22.2	16.1	39.7	53.7	39.2	35.1	55.4	28.1	65.3	97.3	48.1	64.9	83.8	39.9	
Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
5 Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Louisville, Ky.	50.0	57.6	42.3	45.1	47.6	42.7	15.2	15.6	14.8	14.5	14.8	14.2	43.5	45.2	41.9	43.7	45.5	41.9	45.1	53.7	40.8	45.7	57.0	42.0	
Ottawa, Ontario	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Toledo, Ohio	46.7	53.0	28.1	41.5	46.4	37.0	12.9	18.1	12.4	13.6	17.3	12.4	58.5	61.8	55.2	55.0	57.1	53.0	—	41.1	—	—	42.6	—	
Milwaukee, Wisc.	53.8	59.1	49.1	50.7	55.3	48.4	15.7	16.0	14.6	16.8	17.0	16.7	51.2	55.8	46.6	50.1	54.2	46.0	52.9	55.9	50.0	52.8	55.6	50.0	
Cedar Rapids, Ia.	52.0	55.5	48.5	49.8	53.4	46.2	15.2	15.3	15.1	18.9	17.0	14.8	—	67.0	—	—	65.0	—	57.2	58.2	56.2	57.8	58.1	57.5	
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
6 Minneapolis, Minn.	—	—	—	52.3	59.3	45.7	—	—	—	17.0	19.0	14.7	—	—	—	—	58.3	—	—	—	—	49.8	52.4	49.0	
Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	48.0	—	—	—	—	
7 Kansas City, Mo.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
St. Louis, Mo.	54.8	55.4	53.9	54.2	54.8	53.1	18.4	21.8	13.4	18.0	19.9	15.0	—	54.8	—	44.7	56.7	32.7	46.6	51.7	44.6	47.4	50.5	45.1	
Dallas, Texas	45.7	50.5	56.5	—	—	—	—	—	—	—	—	—	42.0	48.2	51.9	—	—	—	49.7	59.6	33.9	—	—	—	
8 Houston, Texas	43.6	50.0	38.0	42.6	47.0	38.4	13.1	13.8	12.5	12.8	15.0	10.7	—	44.0	—	—	46.0	—	42.8	53.1	32.5	49.5	54.5	34.5	
Denver, Colo.	46.8	50.1	41.2	47.0	48.6	43.0	16.9	25.4	14.0	15.5	20.1	14.0	45.8	47.5	44.1	45.9	47.1	44.7	45.8	47.5	44.1	45.9	47.1	44.7	
9 Salt Lake City, Utah	52.4	56.4	50.1	53.2	56.6	51.9	18.7	23.2	16.4	19.0	22.1	17.5	—	—	—	—	—	—	—	50.2	—	47.6	50.2	45.0	
Spokane, Wash.	—	49.5	—	—	48.0	—	—	13.0	—	—	14.0	—	—	56.2	—	—	61.9	—	—	—	—	—	—	—	
10 Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Victoria, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Los Angeles, Calif.	56.0	58.8	48.8	48.9	57.6	43.0	17.2	17.8	15.0	—	—	—	—	—	—	—	—	—	47.2	68.0	42.0	45.6	54.2	34.0	
Oakland, Calif.	52.9	58.2	49.8	54.3	60.1	50.5	14.7	17.5	14.0	16.8	16.9	13.9	49.4	57.9	40.8	53.5	57.7	49.3	—	51.2	—	—	50.2	—	
Santa Barbara, Calif.	56.3	62.2	53.5	57.8	53.1	49.0	—	—	—	—	—	—	54.3	61.0	50.3	54.7	62.0	49.6	52.1	58.0	41.6	54.9	60.0	46.0	
San Francisco, Calif.	—	—	—	43.8	48.9	38.1	—	—	—	16.2	20.1	15.3	—	—	—	—	43.5	44.4	38.7	—	—	—	46.4	46.9	41.4
Baltimore, Md.	45.1	46.8	43.1	44.3	45.3	43.0	17.0	21.6	12.3	17.1	24.5	12.1	41.1	48.6	36.2	37.3	40.3	30.0	46.8	48.7	45.0	46.0	46.7	45.3	
12 Philadelphia, Pa.	39.7	45.3	36.0	40.2	51.3	30.2	11.0	13.2	9.5	11.6	13.1	10.9	42.8	47.0	37.7	37.3	45.6	27.1	—	—	—	—	—	—	
Washington, D. C.	40.3	44.4	33.7	41.9	47.0	33.2	13.5	19.9	10.6	13.7	18.7	11.2	—	—	—	—	—	—	—	—	—	—	—	—	

* Figures for January.

INSTALLMENT ACCOUNTS outstanding at department stores decreased somewhat during January, as is usual for this time of year. Balances at the end of the month were 3 per cent less than at the end of December, but were 11 per cent above the level of January a year ago. Collections amounted to 13 per cent of balances outstanding at the beginning of January, 1 point below the December collection ratio and the same as a year ago. A decline in charge accounts during the month, largely seasonal in nature, brought

month-end balances to a level 18 per cent below the preceding month end. Compared with a year ago, however, charge accounts were up 8 per cent. The January collection ratio, estimated at 45 per cent, was 1 point below December. Sales of all types decreased sharply from December to January—cash and charge-account sales by 58 per cent and installment sales by 49 per cent. All types of sales were slightly below a year earlier.—Federal Reserve Board.

LOCAL ASSOCIATION *Activities*



District Five at Chicago

At the annual meeting of District Five held at Chicago, Ill., the following officers and directors were elected for 1954-1955: President, R. E. Dyreson, Illinois National Bank & Trust Co., Rockford, Ill.; First Vice President, Wilson Fox, Babcock Dairies, Toledo, Ohio; Second Vice President, W. H. Wittwer, Kubly & Hirsig, Madison, Wisc.; and Secretary-Treasurer, Mrs. Dorothe Bolte, Lyons Brothers Lumber & Fuel Co., Joliet, Ill. Directors: Mrs. Jean W. Craig, W. A. Rankin, Ltd., Ottawa, Ontario, Canada; Mrs. Etta Wiedemann, Stuart's, Milwaukee, Wisc.; W. A. Schenk, Ideal Pure Milk Co., Evansville, Ind.; Floyd Redding, Kay's Jewelers, Lima, Ohio; Robert Schmidt, Reifer's Furniture, Lafayette, Ind.; Clem Lehn, American Furniture Co., Milwaukee, Wisc.; Elmer C. Beckley, Ideal Pure Milk Co., Owensboro, Ky.; Mrs. Bessie Dunn, Robeson's, Champaign, Ill.; Mrs. Harriet Jewell, Robertson's, South Bend, Ind.; Sherman Cantlon, National Bank of Jackson, Jackson, Mich.; and Mrs. Mabel Sproehle, Besten & Langan, Louisville, Ky. National Director, Arthur B. Peterman, *Cleveland Plain Dealer*, Cleveland, Ohio, and Alternate National Director, Wallis Hocker, Chas. A. Stevens & Co., Chicago, Ill.

Roseburg, Oregon

The following officers and directors were elected at the annual meeting of the Retail Credit Association of Douglas County, Roseburg, Oregon: President, Mrs. Shirlee Iverson, Umpqua Valley Hardware; Vice President, Robert Curtis, Curtis Bros. Furniture; Secretary, Gordon Stewart, Douglas Creditors Association; and Treasurer, Don Wright, Interstate Tractor Co. Directors: Gordon McCracken, Barcus Sales & Service; William Pyle, West Coast Building Supply; Rod Nevue, Miller's Mercantile; Godon Gerretsen, Den-Gerretsen Co.; Sam Crites, S. M. Crites Excavating Co.; and Ralph Ohman, Sun Printing Co.

New York, New York

At the annual meeting of the Associated Retail Credit Men of New York, New York, N. Y., the following officers and directors were elected: President, George S. Watkins, Martin's; Vice President, Lawrence Winthrop, B. Gertz, Inc.; and Secretary Treasurer, R. M. Severa, Credit Bureau of Greater New York. Directors: Albert S. Kleckner, Namm-Loeser's, Brooklyn; Fred W. Dornhoefer, Franklin Simon & Co.; Arthur J. Kramer, Borden's Farm Products Co.; James M. Malloy, Abraham & Straus; Joseph P. Searing, W. & J. Sloane; Rex L. Smith, Sunrise Coal Co.; Louis Uniti, Industrial Bank of Commerce; John T. McCaffery, A. Sulka & Co.; Walter E. Babb, Stern Brothers; Philip Gleason, Saks-Fifth Avenue; John M. Hilgert, Lord & Taylor; Walter Robertson, Macy's; and Harry C. Squires, Bloomingdale Brothers.

Edmonton, Alberta, Canada

At the annual meeting of the Credit Granters Association of Edmonton, Edmonton, Alberta, Canada, the following officers and directors were elected: President, George Oldaker, Hayward Lumber Co. Ltd.; Vice President, James Barber, Niagara Finance Co. Ltd.; and Secretary-Treasurer, C. H. Williams, Credit Bureau of Edmonton. Directors: Fred Horen, Imperial Oil Ltd.; E. Preddy, Imperial Bank of Canada; Mrs. Jesse MacPherson, Walk-Rite Ltd.; Robert Melville, J. A. Werner Hardware Co. Ltd.; D. Wolochow, Henry Singer Ltd.; Thomas Collins, Campbells Furniture Ltd.; and Margaret Duncan, McArthur's Ladies Wear.

Baltimore, Maryland

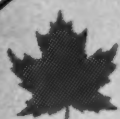
The 1954-1955 officers and directors of the Retail Credit Association of Baltimore, Baltimore, Maryland, are: President, Robert L. Carmichael, Wonder Clothes Co.; Vice President, Albert T. Marlowe, Isaac Hamburger & Sons; Treasurer, Robert B. Thomas, Hutzler Brothers Co.; and Secretary, Charles F. Roycroft, Credit Bureau of Baltimore. Directors: Robert L. Bruchey, The Hecht Co.; Herman A. Dorsch, N. Hess Sons; Fred W. Ellinghaus, The May Co.; Ellis A. Epstein, Hochschild, Kohn & Co.; Bernard W. Huffman, C. Hoffberger Co.; Theodore E. Marr, Stewart & Co.; H. Lee Muse, Cons. G. E. L. & P. Co.; and John J. Lurz, O'Neill & Co.

Victoria, British Columbia, Canada

The Credit Granters Association of Victoria, Victoria, British Columbia, Canada, elected the following officers and directors at their last annual meeting: President, R. W. McKenzie, Heaney's Ltd.; First Vice President, J. W. Gillis, Royal Jubilee Hospital; Second Vice President, M. M. Williams, Victoria Press Ltd.; and Secretary, W. G. Ellis, Credit Bureau of Victoria. Directors: L. Evenden, Hudson's Bay Company; T. R. Edwards, Canadian Bank of Commerce; A. Fred Ellis, Buckersfield's Ltd.; E. McClure, B. C. Electric Co.; Audrey Harness, Little & Taylor; and James Anderson, Stewart & Hudson Ltd.

Des Moines, Iowa

The new officers and directors of the Retail Credit Association of Des Moines, Des Moines, Iowa, are: President, John Hayes, Younkers; Vice President, John Lanning, Green Colonial Furnace Co.; Treasurer, Paul Bryant, Morris Plan Bank; and Secretary, E. H. Biermann, Credit Bureau of Des Moines. Directors: Ray Garns, Iowa-Des Moines National Bank; Gayle Huston, Koch Brothers; Mrs. Carrie Kuelper, Frankels; Mrs. Louise Leach, O'Dea Chevrolet Co.; Almon C. Parmenter, Still College Osteopathic Hospital; E. N. Romano, *Register & Tribune*; and Mrs. Myrtle McBride, Taylor's.



Granting Credit in Canada



C. B. FLEMINGTON . . Canadian Correspondent

Let's Look at Canada

H. LESLIE HULME, A.C.I., *Manager, Time Payment Department, Aluminum Goods, Ltd., Toronto*
President, Credit Granters' Association of Canada

I WONDER how many of us have given any thought to the latest acquisition to this Dominion of ours, Newfoundland. After all, Newfoundland is now part of Canada and its people are every bit as much Canadians as the rest of us. I had given little thought as to how they are progressing since they joined Canada and only recently was quite amazed to learn that their economy is progressing by leaps and bounds, especially in the fishing industry. It would appear that the old method of salting and smoking fish is fast giving way to a new industry, that of quick-freezing. This, in turn, has resulted in several filleting and quick-freeze plants being put into operation and has created employment for thousands of men and women. The product of such an industry is finding a ready market all through the United States and Canada. It was also a surprise to learn that their pulp and paper industries in Cornerbrook and Grand Falls are thriving, and that the towns built around the paper mills leave little to your imagination. They are well planned, with schools, churches, playgrounds and well laid out streets, which may well be the envy of many towns in other Provinces. I also understand that the Trans-Canada highway is being pushed across Newfoundland and it will not be too long before the Province is inviting tourists to her shores.

Again, I wonder if we have given any thought recently to what this new iron ore discovery in Labrador really means to Canada. I for one was amazed to learn that two-thirds of this discovery is located in the Province of Quebec and that to date some 417 million tons have been proven. This means that for the next 20 years at least, Canada is assured of a high grade iron ore. It seems, too, that in Labrador there are two rivers capable of developing tremendous hydro electric power, comparable with others in the country.

As we travel on to our Prairie Provinces, we find there our Canadian farmers, who, through their knowledge and perseverance, have developed crops, the like of which were unheard of for many years.

Last year, in New Orleans, I heard a brilliant speaker make reference to the countries of Europe and Asia, where as yet the people are considered to be free. In his talk, he pointed out how the United States could utilize some of the gold which is buried at Fort Knox, to help ease the burden of these people who are looking, it would appear in vain, for help. Canada could aid in this program immensely. We all know that a hungry man is not a peaceful man and if we ever hope to secure a lasting world peace, let us act now and win over these people who, even though starving in their thousands, still consider themselves as free men.

Let us look at our oil fields in Canada. It is not so

long ago that Canada was forced to import almost all the oil necessary. Today, from our oil fields in Alberta, comes oil in abundance so that it is now necessary to import a small amount of this commodity which is so important in our daily lives. I feel that the day is not too far away when Canada will produce all the oil she needs and still have surplus for export.

Again, too, if we travel down the west coast to Vancouver and Victoria, we find there a climate which is comparable to that of Southern England, a perfect spot to retire to, especially after you get past the age of shoveling snow or trying to drive through it.

Much has been written and said over the years about the potential greatness of Canada. The present is pretty good, too, especially when you notice that the value of our national products in 1946 was 12 billion dollars and in 1953 reached 24 billion dollars. Our industrial production in 1953 had increased 150 per cent from 1939. Farm income in 1946 was placed at 600 million dollars and reached a peak in 1952 with one billion dollars. Referring to the potentials of our Alberta oil fields, you may be interested to know that in 1946, we were producing in our Canadian oil fields, 634 thousand barrels monthly. In 1953, the figure was five million, 564 thousand barrels monthly.

The present looks pretty good. This, I feel, is due largely to the fact that today, we may be said to be living in a credit economy, or credit world, or in a business system pervaded by the power called credit. We are all accustomed to hearing modern life spoken of as the machine age, the industrial age, the atomic age and so on. Perhaps some of us are not accustomed to viewing the world of today as a credit economy, yet credit is a feature which is certainly as important as other characteristics of the modern world. I wonder where we would be in this day and age were it not for credit. Just how many of the things we now have and enjoy would be ours were credit, in one form or another, not available? Canada and her people certainly would not be enjoying the high standard of living were it not for credit. Yet, in spite of everything we enjoy today and the growth which this great country of ours has made in the last 20 or 30 years, you will still hear those who say, "Oh, for the good old days" of zinc washtubs and corrugated washboards, ten to twelve hours a day, six days a week. In 1910, a car would cost the equivalent of three years' salary for the average family. Needless to say, there were not many cars. I remember the good old days of 1929 to 1932, when thousands had the same job—that of looking for a job. You can have the good old days, I will take the present.

We have all heard that the future belongs to this or

Rendezvous With Alter Ego

CARL B. FLEMINGTON, F.C.I., F.C.I.S., *Manager, Credit Bureau of Greater Toronto*

IN AN ENDEAVOUR to find a suitable subject for presentation at this time, the thought occurred to me that perhaps something bordering on reflection might not be amiss. That, however, is not sufficient in itself; it must contain present consciousness of our responsibilities and the will to improve.

There is a phase of human behaviour which in my opinion is paramount to success, whether it be characterized in our business life and conduct or whether the outlet be in social sphere. This is illustrated through our individual willingness to accept responsibility, both to our employer and business associates and to those whom we meet day by day as our paths cross. To these we owe an allegiance, heightened or lowered by our individual attitudes or power of thought.

Do we ever pause in the round of daily duties to appraise ourselves in relationship to the work assigned to us? Are we giving the best that is in us or are we merely putting in the hours, being mainly interested in time plus dollars and cents? Do we realize that in the final analysis we, you and I, are the ones who suffer most through such an attitude? Life demands the most that is in us and if this degree of application is cheerfully and willingly given in the pursuit of our daily tasks, life will return it to us in full measure.

Today, perhaps more than at any time in the past, business and industry require strong personnel. It must be strong in the knowledge that no matter how menial the task, it is of vital importance to the organization represented; strong in the endeavour to exercise every opportunity to create understanding and good will.

If recognition and promotion are within the realm of expectancy, your employer has a right to expect certain characteristics in return, has he not? A little self-analysis may help us to understand why we appear to be "forgotten," when promotion is possible. What has been our general attitude toward our work? Are we punctual? Enthusiastic? Do we show initiative and are we aggressive? Do we respect regulations relative to lunch hours and relief periods? What is our attitude in

dealing with clients? Are we sympathetic? Cheerful? Do we consider them a very vital part of our individual progress or, are we bored with their "silly questions"?

Today's recognition goes not necessarily to the senior in service (although, providing all other requirements are equal, such a person should be shown preference) but to those who show in their everyday demeanour, a devotion to duty and a willingness to accept responsibility. Above all, in this demanding age when often insufficient thought is given to the rights of others, are we prepared to go the "second mile"? Are we taking every advantage daily, whereby we can improve the knowledge of our position and of our firm in general? In order to rightfully expect true recognition and advancement, we must be prepared to sacrifice personal desire if necessary; to accept a full share of responsibility in all matters of mutual interest and to prove outstanding among fellow employees.

Regardless of the nature of our individual assignment, there is equal scope for creative thinking and personal interest in achievement. We can drift along for a time only, but sooner or later our own attitude decrees whether we have conscientiously endeavoured to improve our status or whether we have been content to remain static. A little rendezvous with alter ego on the part of us all cannot help but enhance the relationship between employer and employee; thus making our working hours those of contentment and happiness in the knowledge of work well done.

The same is true also in our social contacts with others. Do we strive to lift a load, or, is our contribution to society unworthy? If we can catch the truth that the need of others is as great as our own; if we can dedicate ourselves to the intense conviction that this world needs us and what we can contribute to its good, only then will we begin to realize the glorious reality of service both as a means for daily providing and in our relationships with those with whom we come in daily contact. We need only to remember that the responsibility we shirk places an added burden on the shoulders of another, because somewhere responsibility rests. ★★★

to that. To me, this is an oversimplification of the facts of life as to those with some background of experience in living. To me, the future is like a large mirror; look into it and what do you see, the present.

Canada is fast moving ahead and if recent progress is any indication of the future, all this talk of the potential greatness of Canada is well on the way to being realized. Manufacturing, wholesaling and retailing sales have reached new highs in 1953. To maintain or increase total sales for individual companies and for the country as a whole is a challenge to each and every one of us.

How will we meet this challenge? Henry Ford once said, "Coming together is the beginning. Keeping together is progress. Working together is success." There is the answer to the challenge. It is only by pooling our experience and working together that we can hope to abolish unsound credit policies and unusually long terms.

Competition in credit benefits no one, particularly the customer. Frequently it results in failure to meet payments as agreed, extensions and even repossessions. We should strive to ensure that essential information is obtained from the applicant at the time of the interview; that credit policies and terms are explained; that applicants are checked through the Bureau, as to the paying habits and how much is owing to others; that customers are not permitted to overbuy; that past-due accounts are reported promptly.

In this way, and this way only, can we, who have devoted a lifetime to the credit profession, ever hope to keep credit control in our hands rather than in the hands of those who are less qualified to administer it. If we succeed, as succeed we must, there is no doubt but that Canada will take her rightful place among the nations of the world. ★★★

An Invitation From San Francisco

YOU ARE CORDIALLY invited to attend the 40th Annual International Consumer Credit Conference of the National Retail Credit Association, Associated Credit Bureaus of America, Credit Women's Breakfast Clubs of North America, Credit Granters' Association of Canada, and the Associated Credit Bureaus of Canada, to be held in San Francisco, July 19-22, 1954.

The Associated Retail Credit Men of San Francisco are looking forward with pleasurable anticipation to being your host at a conference co-sponsored by Districts 10 and 11 of the National Retail Credit Association.

The conference sessions will be interesting and enlightening. While credit policies, procedures and techniques have local phases, they are International in scope. Conference sessions and active participation in discussion groups should help to develop the broadened perspective that credit men and women require. Committees have been busy for months on arrangements to make this conference the most informative and enjoyable ever held.

The fabulous Fairmont and the distinctive Hotel Mark Hopkins, our conference hotels, are located high atop famed Nob Hill, majestically overlooking the skyline of cosmopolitan San Francisco, its beautiful bay, great bridges and the mountains beyond. San Francisco is the ideal convention city, compact and centralized, with its many fine restaurants, theatres, shops and other outstanding hotels within a few blocks of the conference headquarters.

Our climate is ocean-cooled. Seldom does the temperature rise above 65 degrees. These ideal conditions assure your comfort at the conference sessions and the utmost enjoyment of recreational activity. Fascinating San Francisco beckons you. Cosmopolitan, sophisticated, cultured, fun-loving San Francisco has a charm of its own; mysterious and exotic Chinatown, boisterous International Settlement, the Mediterranean atmosphere of Fisherman's Wharf, the quaint yet jaunty cable cars, the old Mission Dolores, Memorial Opera House at Civic Center where the United Nations was born. All these will be a source of inspiration and delight to you. Then too, San Francisco has an international reputation for wonderful and varied foods of all Nations.

It is our sincere hope that we may welcome you to San Francisco in July. We are sure your visit will prove to be a never-to-be-forgotten experience, rich in rewards of fellowship, broadened knowledge, and pleasure.

W. Friesberg
AMERICAN TRUST COMPANY
SAN FRANCISCO, CALIFORNIA
IMMEDIATE PAST PRESIDENT
NATIONAL RETAIL CREDIT ASSOCIATION



STREAMLINED LETTERS

By WALDO J. MARRA

This book discusses the subject of letter writing as one aspect of salesmanship, and shows how every business letter is a sales letter. It is practical to the extreme, covering actual letter writing problems that a dictator has to confront every day and shows how to handle them efficiently and constructively.

- Why is every business letter a sales letter?
- Do you think your letter through "before" dictating, or "after"?
- Have you a vocabulary equal to the ideas you want to express?
- How do leading retail firms handle their correspondence?
- Do you use "dollars and cents" methods of beginning a letter?
- Do you "circumnavigate" the subject of your letter?
- Do you know when "not" to stop your letters?
- Do your letters carry "eye" appeal?
- How do you say "No" graciously to a customer?
- Are your letters action-compelling?

These and a hundred other questions are answered for you in a clear-cut, interesting manner in this new book.

Another feature is that it can be effectively adapted as the text for an educational course on Streamlined Letters. It is available to credit bureaus and credit associations at a special price in lots of 25 or more for Credit School purposes. Single copies are \$5.00.

A manual prepared exclusively for the instructor is also available at \$3.00. Write the National Office for your free copy of "How to Organize and Conduct Credit Schools."



NATIONAL RETAIL CREDIT ASSOCIATION
375 JACKSON AVE. ST. LOUIS 5, MO.



Retail Credit Education Week

SHOWN ABOVE is a reproduction of an original by an artist of national reputation painted for the National Retail Credit Association. We strongly recommend its use during **RETAIL CREDIT EDUCATION WEEK**.

Displayed in store windows and other vantage points, these posters, printed in seven colors and measuring 23 3/8 by 17 1/16 inches, will attract much favorable attention, stressing as they do the important role that retail credit plays in our economy. We are confident that local merchants and firms will gladly cooperate in displaying them prominently. We suggest that they be placed on view after the placards urging church attendance on "Meet Your Obligation" Sunday, May 9, have been removed, probably late on Saturday, May 8. They should remain all during **RETAIL CREDIT EDUCATION WEEK**.

The message of the poster, "Credit Is The Foundation of Commerce," is effectively supported by the pictorial dramatization of the roles played by other contributors to the nation's growth, notably agriculture, industry, transportation and commerce.

A powerful consumer educational message is contained in the words, "The Credit Bureau Is The

Guardian of Credit," and the insignia of the National Retail Credit Association embodying the slogan, "Guard Your Credit As A Sacred Trust."

The generous display of these posters will be an enormous contribution to the success of **RETAIL CREDIT EDUCATION WEEK**. And, after the week is over, they can be suitably framed and placed in credit offices or in reception areas of credit bureaus. Thus, they will serve a lasting purpose in constantly promoting the cause of better retail credit conditions.

To stimulate the widest possible use of these posters we are making a special price in quantities of ten or more for this period only of \$2.50 per copy. Regular price, \$5.00. Retail Credit Education Week Committee chairmen are urged to send their orders immediately to the National Office.

Helpful material and valuable suggestions to assist in making this nation-wide educational week successful are available from the National Office at no cost. Write for your packet today.

Plans for your community participation in this program should be nearing completion. **RETAIL CREDIT EDUCATION WEEK** will soon be here.

MR. EUGENE B. POWER
UNIVERSITY MICROFILMS

NATIONAL RETAIL CREDIT ASSOCIATION

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ANN ARBOR, MICH.

375 JACKSON AVENUE

EDIT ASSOCIATION

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